

HYC #54 - Emerging Markets & M...ailand, Germany & South Africa


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SPEAKERS


Adam Kulbach, Cory Waggoner


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 Adam Kulbach 00:23
hello and welcome to the higher enlightenment podcast brought to you by higher yields cannabis consulting your seed to sale Business Solutions team. My name is Adam part of the creative team here at higher yields. And today's episode number 54 is about emerging markets and methods in Thailand and Germany and South Africa. So let's get on with the show. Well, we start with the self introductions where you give us a little background on yourselves. And let's start with you Dr. David.


 00:55
Hello. I'm Professor David Carter. So I'm co director of the T ut CSR Research Hub, which is specifically focused on cannabis. And it's based in Pretoria in South Africa.


 Adam Kulbach 01:16
Okay, well thank you for being here. How about you? Yogesh?


 01:23
Thank you, Adam, for having me here. I'm Yogesh I run buffalo extraction systems. We are a turnkey solution provider in the cannabis space, focusing on extraction, purification, pre processing technologies are happy to be here today. Thanks.


 Adam Kulbach 01:40
Well, thanks for being here. How about you, Corey?


 Cory Waggoner 01:46
Corey Wagner CEO and founder of higher yields consulting.

 Adam Kulbach 01:50
Okay, thank you. For the first question. Let's start with South Africa. Dr. This is where you're doing your research right now. Tell us what what is going on out there.

 02:05
Lots going on. We so we consider ourselves to be quite progressive in terms of the medical cannabis space, as well as recreational cannabis space. So at the moment, the two things that are going on are mostly in industrial hemp, where we now have over 400 licenses that have been given out. And then in terms of medical cannabis, we have about 99 licensed farms. So we ourselves are in the extraction business. And part of it is really to de risk farmers who are going into this business. So yeah, so everything seems to be gaining traction. And we are learning every day.

 Adam Kulbach 03:01
So what impact do you see the work in South Africa having on the global cannabis market?

 03:09
Well, we have we have the sun out here. So we have good conditions, climate, I think the regulations now at least being sorted out to facilitate the growth of this industry. So we should, you know, we are already seeing people exporting into European markets. And in South Africa, as you may know, the suitor was the pioneer in this space. So we work not just in South Africa, but across the region. So let's sue to South Africa, Zimbabwe, and Zambia has just come on board. So it's it's early days, but we do anticipate that with good investments into the value chain, that this region will be able to contribute to the global cannabis industry and to to the supply, but also to create jobs that are sustainable, and just generally have an empowered industry in the region.

 Adam Kulbach 04:17
What do you do when established cannabis businesses need to know about opportunities for

growth in South Africa?

 04:25

First of all, its labor is much cheaper here. In I think the issue might be an importing, setting up but we do have quite a lot of good engineering companies, good companies that will be able to support investors at least on setting up the CRO CRO operations. And then we are in collaboration with different vendors like with our office facility for instance, we work with a really good company that is able, that is been able to assist us to set up our co2 extraction. And they do all sorts of other cost setup, support. But in terms of getting into the market, it's to understand the regulations. So there is a licensing fee for medical cannabis. And then it's also tied to off takes. So that's one of the biggest challenges that you actually need an off take from day one for you to get approval. There's also quite a bit of funding in the market. But again, it's tied to uptakes. So I guess, working with with locals and with the tribal knowledge that locals have in collaborating those locals is probably going to save any foreign invested too much time and pain in headaches,

 06:00

profits, interesting how everybody looks at South Africa, being the Center for Research and any technology in the southern part of the continent. How do you see this evolving, because I see a lot of these hubs that are coming up across the region, where you are empowering people, and there is different activities, if you want to elaborate on that.

 06:23

Yes, so So our sort of hub model is centered within the private sector. Well, it's centered within the public sector. So we have the university and then we have Center for Scientific and Industrial Research, CSR. So we have, we have very strong on, you know, the research side of things. And what I think we are interested in doing is, number one, train other people and help hold them into this space, up to a point where they are profitable, and then they can also maybe invest in their own facilities in terms of extraction facilities. And then of course, product formulation. So because we come from a pharmaceutical background, we also want to assist intrapreneurs, we're interested in the value add part of it. So once we've done the extraction, what are what happens to the product, at the moment, we are not seeing enough homegrown products, you know, what we are doing is we are exporting raw flour, and then we are importing finished products. So that's where we are being strategic to say that we, you know, we want to be in this space to unlock all the value locally, and then be able to export some of that out of war into the region and also out of the continent.

 07:55

Below, okay, okay, so it's kind of an export deficit in terms of the industry that we are saying that we have all the capabilities, and the rising sun always there. But I think the industry is yet to evolve to a point that we are self sustaining as a domestic market, if I'm not wrong, and be able to export a lot of compliant finished product. So on that those lines, I mean, is in South

Africa lined up enough to do compliant products to Europe. And all like we have a good synergy of Europeans and Englishmen working out of Africa. And there's a lot of exports, are we positioned well enough to do compliant flour and API bulk API? Because they see Europe will never have that scale, and that cost savings that they can achieve here.

 08:45

Yes, so I think those are the sort of selling points for the region. And the fact that we have good climatic conditions. And there's also a discussion now about actually growing some of these outside, so that you actually utilize the, you know, the insulation that we have in the region, good climatic conditions, labor is relatively cheap. And then, of course, the Forex so you for let's say, for one US dollar, you're getting 20 rounds, so that there is good bang for buck in the in the region. And then logistics. So from a logistical point of view, we are on the same timeline with with, you know, Central Europe. So we end the direct flights out of South Africa into European markets. However, I think one of the biggest criticism of a lot of the policies African policies around cannabis is the fact that the export oriented because at the end of the day, we have to think of cannabis as medicine. You know, so we are interested in creating access to to meet them for our own African patients as well. And that's where the formulation technologies and enabling legislation comes in.

 10:13

Okay, okay. Okay. I think that's that's a great point. I'm unaware of the policy side of things. But I think coding on the US side of things, because you come from a very, very warm market, the second half right after Canada, but the biggest I think America is I'm correct me if I'm wrong, is it above 80% of the world cannabis market? How do you see that certain lessons from America can be incorporated into a nascent market like Africa, to pick up from and be able to become a net exporter? I know you have good policy experience as well.

 Cory Waggoner 10:47

Yeah, well, you know, in America, and we have so many different rules and regulations, because each state is different. And we're not we're not federally legalized here. I think what we've learned in America, and what what I've learned in Africa over the last five or six years of doing some work, there is, you know, first what's, what's the end game, where is this product headed, because we need to know what certifications and what standards it needs to meet, in order to make sure that we can actually sell the product at the end, I feel like a lot of times, it's, we can produce x amount and assume that it's going to kind of sell itself, but the hardest part in the early years in Africa is being able to get the product out, get it out of Africa and get it into other places. So I think that's, that's a big one. The other one is just operationally, you know, how you're setting up these businesses and not over kind of over building, not under building, you know, and you know, where the end products going to go. And you know, how much that product you're going to be able to sell. And as you guys know, there's there's a lot of groups out there that they don't want to spend any money on their cultivation extraction until they have purchase orders in place. But nobody is going to put a purchase order in place for something that that doesn't exist yet, or that they don't know. And it has so much kind of variability in how it's created. And then third, you know, the the programs that are being

created, you know, something we've seen here in the US is, we have some of these programs like Oklahoma, where it's extremely progressive, and it's so simple to get into a very quickly become saturated. And then we have other states where it's very limited, and the program was created for only the rich, basically. And so they come in, and they own one of six licenses in a state with 15 million people. And so those things have kind of created totally different markets here, it's been interesting to watch them, because the smaller programs, they're easier to regulate. And when when the programs are easy to regulate, it's easier to make sure that the standards are being withheld versus a program with 10,000 license holders and only 700,000 people in the state where there's no way they're ever gonna get their arms around that and things are things are making it to the market that it shouldn't be. So really interesting to see, you know, how Africa has evolved over the last five, six years and how these programs are starting to develop and how people are approaching the business. And, and yeah, you know, as far as the, the tribes and kind of local governments, as as Doc said, those those are those are huge, and those are important. Myself, I can't go down to the Sutro and you know, get done, what needs to be done. You have to have those those local contacts in Africa to be able to really get things moving and get things accomplished. So it's, it's a really interesting, Mark. It's a really exciting time. There are some really great advantages to being down there. But there's also some tricky things that that you have to be prepared for Academy thinking ahead on for



13:48

sure. Well, that's, that's a great perspective. Cory, thanks for that. I like your niceness around telling us and the industry to not over invest and how you put it that we should not over invest and overbilled, which leads to learning some lessons from the best that we certainly can from cannabis 1.0. So yeah, I think that's a that's a great one that we don't do that. But apart from recreational I believe recreational apart from US and Canada, say bulk epi or pharmaceutical products. Where does Africa have a stance? If doc and Cory and Adam if you guys want to talk on that is how do we make make a nice into countries? What information can you provide them so they can become like exporters of API's. And this this, not just from a policy standpoint, but also from a compliance standpoint and a pricing standpoint, because I know that the every every industry that begins and each state from the US will go through three bust cycles. As soon as it opens up, you know, there'll be a boom and flower bust and flower blooming flower bust and flower. They do products and the industry commoditize itself. So often You guys do have a quick, you know, anatomy you can pitch in sorry for stealing the vibe here, but I wanted to get this before we jump on to other regions, please opt in you guys



Cory Waggoner 15:10

I think, you know, again haven't having that in buyer and what we see in the market Yogesh and where people where we really work with our clients is really kind of in that precision medicine, right. So we collect a lot of data on people's DNA Canvas profiles, and we're starting to track those things a lot closer to see how certain profiles are helping people. You know, for years, it was all about who grew the best Blue Dream who grew the best Sour Diesel. But if you know we go and look at David Sarah diesel, Cory, Sour Diesel yogurts, Sour Diesel, they're, they're totally different. So what really matters at the end is kind of that profile. And if we can start to link that and really build brands off of those profiles and target specific demographics of of individuals with specific DNA, we're going to have a better impact. And you're going to have something that's more sought after more consistent more in line with what you expect

with something pharmaceutical that you're putting in your body that you're going to get a consistent, a consistent effect or impact from it. That's difficult though, in cannabis, because it's horticulture and you're, you're growing something each time and these genetics, you know, they they change, their profiles can change a little bit, they're potencies can change, their yields can change, based on the climate and the controls that are in place. So for us, you know, while we don't want to, we don't want to over build and invest that way, definitely want to invest in technology. Because once you have those controls in place, and you have the system in place, you start to cut out some of the variables of what could happen. And then it's it's more streamlined when you're bringing the genetics in, because you know, after you run it, what you're going to get out on the other side, and how to hone in on on that consistency. So I think for us, that's that's a lot of what we're seeing in the market is, you know, obviously, quality, quantity, you know, these things will always be important. But how do we get more precise? How do we get more consistent? And how do we find the right demographic, because I think that's the other thing is everybody looks at the market, and they're like, they see they see kind of how the product blends look for consumers, and they look at that big product number and they're like, well, we want to own 1% of this 50%. But you don't need to in Colorado, you know, there's there's \$12 million a month and unbranded pre rolls, salt. And there's all these very small corporations that are struggling to just sell raw biomass. But you know, putting that in a branded tube, starting to target that market, all of a sudden, that they can't can make enough, you know, they've got to go outside of that. So So again, I think it's really important to make sure that people are investing in technology and the right technology to create that consistency. And they're really starting at the end of the line, and knowing who their buyers going to be knowing who they're trying to market to. And because that's that's also you know, where we're at the industry, there's not a lot of that. I mean, there is, but there isn't a majority of it isn't. And there are some people that are stirred, that are pushing towards that, but that's where I believe it's going. And that's where I believe it's heading, whether it's precision medicine, or what we call on the adult use side, Precision Marketing.



18:26

Yeah, so I guess from, you know, the African side of things, I think it's how to build the industry, right? So we actually need to be able to understand the value chain, and most people need to do that. And then to work from an area of strength, and also where their skill set is. I mean, I remember, we were in the suit to end in this meeting, and none of those people had actually met before. And they all thought they were competing against each other. But when you started these conversations to say, actually, you know, what are your capabilities, where are you in the value chain, you actually found that they needed each other. So, you know, being able to build these, these networks of people, that the market is too big for any one person really, that's what we also have to realize, and have that abundance mentality, you know, kind of thing. And so that's one thing because once you start to look at the value chain, then you start to look at, we start to see opportunities, for instance, on the growing side. The opportunities there to be able to supply seeds and or you know, all types of seeds that will be required, particularly, you know, seeds that are certified, but also talking about generics quarry, then you need to think about the land races because there's also this fear around here that you We've had cannabis grow in Africa for probably the past five, 600 years. And it also now has its own unique genetics. So are we are we looking at also certifying that generics and not losing it, because biopiracy is, is an issue. So there are people working on that side of things, and then a little bit further up the value chain. That's where maybe you can start to look at testing services, you know, testing the soil, those are great opportunities, right? Soil testing, you know, testing the actual seed, testing the biomass, and then going on to actually providing

testing services for the extracts and the formulator products. And then, you know, the extraction that we've been talking about, which I think we, we are finding that the opportunity is there to train young people to bring young people in, but also to be able to not just do cannabis, but also maybe extract other complementary products that can go and be co formulated with cannabis. And this is one of the advantages of South Africa because we are a highly biodiverse country. So not only do we have, you know, our own strains of cannabis, but we also have a lot of plants, plant species, yeah, that don't occur anywhere else in the world. And therefore, this is an opportunity for building really nice co formulated products. Right. And then of course, going further in the value chain, we're not really seeing enough on the retail side at the moment in terms of, you know, dispensaries in dispensaries, that that are organized, regulated and working with, you know, within the confines of the law. So that that's another space that's going to have to open up either within the retail pharmacy sector or the stand alone. So yeah, I'll stop there for now.



22:15

I think that's that's amazing perspective from two sides of very mature market and some somewhere where we are laying the building blocks. And there's a lot of lessons that one can learn from each other to make sure that South Africa as a country can play its cards very carefully and not made any mistakes that were made in the past. And Doc to your point, I feel that the kind of experience Africa has on traditional medicine that's also way stronger than any other continent because they've been using cannabis as part of medicine for a long time. It may not have been clinically tried. But any comments on that enbloc I mean what what is what what is the usage of cannabis as a medicine already in this space? And this we are talking on our OTC but this is alternative schools of medicine traditional



23:06

Yeah, yeah. No. So it is a key component of many traditional healing systems in the world as you know even traditional Chinese medicine will tend to use hemp and cannabis or you VEDA it's it's really big in Indian Ayurvedic medicines. And then of course, within African traditional systems, it is used for spiritual ceremonies but also just for for treating you know, various ailments mostly looking at maybe asthma, you know, asthmatic conditions, respiratory conditions, but there are also ways of handling the canopy. So, we have some research that we are looking at, where we are actually trying to look at traditional ways of handling cannabis, which made it more potent, so that hence you have things like Durbin poison, which is actually an interesting genetic, which is, last I checked, I checked is actually been sold by a Dutch company. And then of course, you have the Swasey gold in the Malawi gold and, you know, so there are lots of interesting ways in which they would post harvest treatment before they actually used it. I think the biggest challenge there is the fact that in South Africa alone, it's estimated at about 900,000. Farmers, whom we call legacy farmers. So these are farmers that that were growing cannabis illegal illegally for probably the past 100 years. Now, how do you bring those people into into pharmaceutical value chain, which is a, you know, a very, very regulated and regimented way of doing things. You know, you can't have pesticides, the soil has to be tested all of those Since so it's something that people talk about there lots of political promises. But it's now impossible because I always say, I've not seen a case in farmers anywhere in the world getting into into our pharmaceutical value chain. Yeah. So a solution to

that might be to turn them into hemp farmers rather, you know, so where they are growing industrial hemp, which, which, you know, can be eaten or goes into the food value chain can also go into sort of five by industrial products, those kinds of things. Yeah.



25:43

Perfect. Thanks. Thanks for sharing. After you, I'm sorry, I wanted to put these two questions in before we move on. It's great.



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Sremmurd as needed.



Adam Kulbach 25:52

Okay. For you Yogesh, what's going on in Thailand. And what did you find most interesting about it?



25:59

Um, so I think it was, let me see is Thailand. I think it was in June 2022, that Thailand legalized cannabis, recreationally. And medicine, the laws were kind of open and a little bit in the gray. The market since June 2022. skyrocketed, whether it be it in terms of illicit cannabis, illegal use recreational, medicinal companies doing research, I think it was this, this light of hope that ASEAN was hoping for a long time that somebody takes the first step. And Thailand as a country was brave enough to do that. So there has been a lot of move in terms of the only place in the ASEAN and even a Central Asia and Asia Pacific to go to for recreational use. So in terms of recreational, I think it's the only Spring Break destination around here that kids want to visit, because it's completely legal to do that. Safety of however, I think, safe adult use, I think it's something that Thailand with its new government, at the moment is trying to fine tune the laws in terms of safety of the stuff that's been grown compliance is underway. There is, I would say an absence of a comprehensive legal framework governing cannabis use. But there are strong stakeholders that are driving that currently. And we should see something that comes in the way very soon. So I think reflecting on the policy journey, I think it's it's getting there. But it's the strongest player at the moment in this region.



Cory Waggoner 27:55

So it just seems like to me and I'm not super familiar with Thailand, but I've been keeping up with a little bit seems like the regulations. Similar to the example I used to Oklahoma like locally, it's very easy to kind of get involved in the industry, in which for a place like Thailand, I would think would be good for the local economy to be able to open that up quickly to create the jobs create the tax revenues. But on the bigger scale, does it hinder when there's when they're not creating that framework, really not kind of working compliance? First, it's more kind of industry business first, and being able to get the product out of a timeline.

 28:35

Do you mean as an as a net product out for exports to other countries? Yeah, so I think there is I think it's, it's, there is one way to look at it from the lens of compliances, whereas the past year, it has seen an explosion on the domestic market. And this we are talking up to, I think, between 8000 to 9000 dispensaries, which is going to cross the number of seven elevens in the country. And this includes medicinal as well as recreational stuff at these dispensaries. From an export standpoint, I feel the price is are so high at the moment. They wouldn't have buyers. I think I hear other things around them importing stuff from Canada. I'm not sure how that works. But that's been out in the news, which I read recently. So from an export standpoint, to answer your question, lastly, they are looking at compliances. But I don't think it's economically feasible for them to export. Yes, because they have a very strong domestic market.

 29:39

Yeah, that maybe if I may just add the latest news, which is actually coming from the Thai Prime Minister who's in New York at the moment is that the within the next six months they are probably going to and work to stop the recreational side of things. and just focus on medical cannabis. There's just an article now in The Guardian, which I shared earlier today. And this is what they're saying they're making a U turn. Because the whole recreational space was apparently operating outside of any legislative framework, because there wasn't any. And now there's this new government, which actually campaigned on the back of undoing the whole recreational space. So what I think will be interesting, the is the dynamics of that globally, because I know that South Africa was starting to lose business as a result of the flower, I think, coming from Thailand at some point into European markets. And so so now that, you know, Thailand, might in the next six months be out as a potential supply into European markets? How is that going to pan out for South American growers in the US African growers?

 31:15

So don't dog if they take a U turn here and say recreational is curtailed? I feel economically they would get a big dent there, because it's it had already started to become a big part of tourism for them. Yeah. Any comments on that? And also, like, how do you see them on lines of research as compared to say, South Africa or India or? Or the or Germany? I mean, what's your take on that? I know, I know, you're connected to all academic institutions around the country, you see good clinical trials and research, or good pharmaceutical products coming out?

 31:54

Yeah, I think Germany is setting a very interesting because I was at a conference in Ireland not too long ago with the, you know, German researchers presenting work on the use of cannabis, particularly in terminal cancers, it seems that they're able to get ethical approval for for a lot of these kinds of trials, which sometimes is difficult in our, you know, circumstances, there's also quite a bit of funding going on to the into, you know, these commercial trials. And then I think the Germanic tradition, because Germany and, you know, sort of Germanic Europe, if you like

Austria, parts of Switzerland and Germany, they they are very strong on on phyto therapies, you know, and they, they do lots of interesting clinical research, and they're able to ship out these products into the marketplace. So unlike Ireland, for instance, in Ireland, they don't even have a pure Deluxe. It's they have it, but you cannot get the National Health Service to pay for it. And I realized that in England recently, the there's also a pushback around cannabis made cannabis based medicines, you know, so. So I think that's going well, in South Africa. You know, there are people looking at trials. But the funding is, is always a problem. And then trying to navigate the whole, you know, sort of all the ethical barriers and be able to do something that ethically approved does take time. But we, you know, we have good research institutions here. And if we're able to provide evidence based medicines, I think that there would be quite a big market in the region. You're talking about what 200 million people in this region, and then 1.4, across the Africa region. So that's a big population.



34:15

Totally, totally doubt. So I think, I think so forth for tiling at a larger space, it's gonna be a wait and watch game and see what results on this huge and policy. Thanks for informing on that. I'm going to read up on that.



Adam Kulbach 34:27

Could you guys expand a bit on what's going on in Germany and the impact on a global market?



34:34

What do you want to do you want to take this one first? Yeah, yeah.



Cory Waggoner 34:37

So so the EU has been a very interesting place to watch over the last couple of years. Last year, you know, we're getting really excited because it seemed like, you know, the Netherlands, Germany, Luxembourg. Kind of the big players in this arena. We're all starting to work together and saying, hey, you know, we need to be smart about how we create these so we don't end up with the same problem that the EU Wes has where when people cross the border, and they can have a certain amount here, but they can't have that amount here. You know, we're we're not creating problems for this program. There's a lot of discussions around you know, this is this needs to be a full paradigm shift in our thinking of this product as a drug versus now a recreational product that we can use. And they were really focused on creating a well established program that was able to track product that was going to make it to market and ensure safety of that product. And last year, though, things have changed quite a bit, they've kind of gone back to this, this idea. And it's really frustrating, because we've kind of seen this already in the US and how it doesn't work. In there, they're looking to allow certain people to come through and acquire commercial licenses, which will be held to completely different standards, than people who want to be home growers and bring their product to social clubs. We had this here in the US with with caregivers, and it just created a lot of issues. And

honestly, there's a lot of issues that we are not aware that it created because as we learn more about testing, as things become more kind of streamlined and consistent across the market, as far as how products actually get approved to come to market, it doesn't seem like some of those things are going to be in place, and some of the things are working through. And there's a lot of concern, I think, from our organization that this is really going to slow down progress, because now they have momentum moving in the right direction. Now they've halted that momentum. And now they're looking at these other directions that we've seen fail time and time again, and really put the consumer in danger. And you know, for us at higher yields. It's our two biggest concerns. As we approach mortgages, one, you know, we got to make sure the product makes it to the consumer is safe, it's good product, we know what's in it, we know how it's created. And we know there's nothing's going to be harmful to them in the product. And the second one is making sure we look out for the businesses and we don't have you know, so many licenses that they can't compete, they can't keep up. And that things just become saturated, because that's, that's no good for for the businesses and the entrepreneurs that that start down. So not a, you know, not not the greatest update out of Germany, but Germany is it's the big domino to fall and the EU, and they have the you know, the MediCal program, and it's pretty strict, pretty thin amount of operators and importers and things like that. So, you know, it's a big one, but it's not there yet, and not really sure when it's gonna get there. But seems like it's going to take a little bit longer than what we anticipated last year.

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Adam Kulbach 37:50

So there seems to be a trend of things going backwards. Yeah, a

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Cory Waggoner 37:55

little bit. And it's, you know, I think like me, having started in California, and then coming to Colorado, you kind of get it because there's this legacy mentality of you know, every, all these growers wanted to be illegal, so the cops would leave them alone. But now that it's legal now, now the government's got rules that they have to follow. They don't want to follow the rules. And and so they're just kind of constantly trying to figure out ways to work around, you know, those sorts of things are for years, you know, it's what they did. And slowly but surely, you know, Colorado, California, they slow down the caregivers, because you know, back in the day, and I was a caregiver for a little while, and we're always looking for loopholes. There was a time that we had, that we had more plants in our greenhouses than most licensed cultivations did in Colorado. And there's nothing illegal about how we were growing it, or how we're we were, we were operating those facilities, because we had all the paperwork that we're required to have. But since we're caregivers, we didn't have to have cameras, we didn't have to track see to sale, we didn't have to have things tested, we didn't have to tell people where we sold the products. And we had to tell people where the genetics came from, versus the operators who, you know, had to spend boatloads of money on security on licensing on compliance on seed to sale tracking on testing. And it just creates, you know, just creates this kind of unfair advantage. But also it's you know, it's kind of where the industry came from. We were we were pushed into this black market for years. There was a lot of there was there was a lot of unverified research that there was there was medical, there was opportunities to help people from medicinal standpoint. And for the last 15 years, I feel like the industry as a whole we've been trying to kind of overcome these stigmas of you know, who the operators are, you know, they're not all of these like dumb potheads. There are some very intelligent people, some very driven people,

very passionate people in this industry that are very focused on creating a great product, a consistent product, a safe product. It's now what it was 1015 years ago. And same with the product, you know, years ago, like Reefer Madness, you know, you're gonna smoke a joint and let your baby go swim in the pool without you like, you know, it was just kind of craziness. And it's taken a long time, I think to overcome that. And what's probably been the most helpful was with CBD in the early years of, you know, how it was helping children, or how it's helping people with seizures, how it's helping people with cancer, because that really kind of started to change kind of the end of the line with the older demographic, who had those those older ideas of what cannabis was and how bad it was. And it was such a terrible drug. And it was a gateway drug and, you know, first cannabis than heroin. And so that's, that's where we started to kind of see the shift. And we're in a lot better place now. But But again, you know, when we look at Germany, it's like, well, we kind of know what battles if this moves forward the way that they're saying it will right now, there's just going to be a lot of battles, and there's going to be a lot of unsafe product on tested product on the market. And there's got to, there's probably going to be a lot of issues with the businesses that that are doing things right, that are compliant, that they do have cameras that do have security, trying to compete with, you know, small growers who have very little overhead and have five or six lights in their basement.

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Adam Kulbach 41:29

Okay, well, just about out the questions. Is anybody have any final thoughts or things they'd like to add?

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41:35

Yeah, so. So I think investing in African markets, and having heard all the barriers that Corey was alluding to, the African markets are much simpler, in a sense. And, and then, of course, like we said, trying to actually create access for for for local, local patients. So give you an example of of cancer, in in Africa, cancer is, is diagnosed much earlier than anywhere else. It's also much more aggressive because it would have been diagnosed late. And we don't have good pain killing and also palliative care. Right? There's there's very low access to palliative, palliative medicines, and even you know, that whole palliative service, but what can we then do, we certainly can use, you know, cannabis based medicines, which are of good quality, to be able to assist these patients. And we know that cannabis is superior to the opioids, because you know, you don't really have to escalate the dose. Addiction is not scientifically proven, that means, you know, we know that there will be no addiction, but in any cases, patients on palliative care, I think one of the biggest advantages is just that they're more or less, you know, they can go about their lives, without those kinds of zombie effects that you would get by using opioids. And then all the other side effects, constipation, nausea, which just adds to some of the nausea that comes out of some, you know, chemotherapies and things like that. So I think if there was a, you know, from an investment standpoint, but also from the African researcher standpoint, if they were concerted efforts to push for these medicines to actually be available, and for for the regulator to enable that they're available, because we have enough clinical evidence from various trials to actually justify being able to do market authorization on on good products. And that's, you know, one of the areas that we're working with, with with a couple of private companies, different formulations, but specifically really aimed at this area of need, which, which is cancer.



44:47

Yeah, thanks for sharing dogs. This has been great, great information around how the market should be how we should be looking at the industry. And then just to add to that, I think it's quite a transformative era for cannabis. As a crop for the world, and I know the world is following the footsteps of the West, I think there's very diverse opinions around policy. And I think the thing that Europe is moving towards is, is a very, very caliber calibrated, and a safe and slow approach. So I think there is right and wrong around the size sides of the economics of business. But in terms of their perspective around public safety, I think it's all for themselves. I think what as a as a as a as an industry, I think, whether it be it Africa, Germany, the US or Thailand or India, for that matter, now that we we are moving towards legalization, I think we it's ought to look for, to solve problems at the largest level, and be to make sure that the products that are going through our channels are safe for us and compliant and take compliance into consideration when we are talking to businesses, or research on that end, or solving the world's biggest salience like cancer, as mentioned. So just a few lines on that. And thank you so much, guys, for having me on.



Adam Kulbach 46:08

Well, thanks for being here. All of you, gentlemen, it's been very informative.



Cory Waggoner 46:12

And it closes out Adam, you know, it's a really exciting time in cannabis, especially in the international space. But as you know, any listener of this podcast probably can deduct from this is it's very complex, it's very complicated. And, you know, having professionals like David and Yogesh on your team and some of the team members from higher yields is really crucial that success and you know, I see up and Yoshi is right corner there, you know, we build ecosystems, your ecosystem, and I think David hit on this is going to be huge. You know, as you get in this, this isn't something that you can do on your own and be very successful if you don't have experience in this industry. There's regulatory changes. There's facility requirements, there's lab testing, and profiles, and DNA and branding and customs and export and import. There's just so many different hats that you have to wear. And it's it's really important to have a strong ecosystem and have good partners and trusted advisors as you're getting into this.



Adam Kulbach 47:12

Hey, well, thanks again, gentlemen. Really appreciate it. Buddy. Safe



Cory Waggoner 47:16

travels. Nice to meet you. And Yogesh. Thanks for bringing another great member of the ecosystem here. And good to see you again. Thank you so much.



17:25

11 47.23

Thank you. Yeah, yep. Thank you. Thank you. Bye. Thank you. Bye bye.