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Schumer's legalization plan

Welcome to Insider Cannabis, our weekly newsletter where we're bringing you an inside look at the deals, trends, and personalities driving the multibillion-dollar global cannabis boom.

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Most of our time this week was spent covering a sweeping, long-shot bid to legalize cannabis from **Sens. Chuck Schumer, Cory Booker and Ron Wyden**.

The trio introduced a draft version of the bill, The Cannabis Administration and Opportunity Act (CAOA), on Wednesday. [If you need the key takeaways, we've got you covered here.](#)

In short, and I said this on NBC LX on Thursday, the bill goes after the 'whole enchilada' (yes, terrible metaphor) for marijuana legalization: It would fully remove cannabis from the list of federally controlled substances, expunge some criminal records, tax and regulate the industry, create funds that help minority entrepreneurs, and eventually allow for interstate commerce.

This is the first time the senate majority leader has outlined cannabis reform as a top priority, and he's joined by Wyden, chair of the Senate Finance Committee — arguably the most powerful committee — as well as a former presidential candidate in Booker.

Though the bill will likely change significantly over the next few months, the chances it gets over the 60-vote filibuster threshold are almost nonexistent. It's even unlikely they'll get all 50 Democratic Senators onboard, [as we've reported.](#)

There's a broader fight brewing within the industry as well as the popular activist movements that view legalization as the tip of the spear of broader police reform.

The industry's investors and executives want access to banking. Senate Democrats and their progressive base want criminal justice reform first.

Booker drew a bright red line in a Wednesday press conference, indicating that he would stop bills like SAFE Banking, which would allow cannabis companies to access the financial system without broader legalization, from advancing ahead of criminal justice reform.

- Jeremy Berke ([@jfberke](#))

If you like what you read, share this newsletter with your colleagues, friends, boss, spouse, strangers on the internet, or whomever else would like a weekly dose of cannabis news.

[Insider.com](#) update: Newsletters are now coming from our new domain, [@insider.com](#). Also, a friendly reminder to add newsletter@insider.com to your address book.

Here's what we wrote about this week:

[Top Senate Democrats just released a 30-page draft that lays out their vision for legalizing cannabis. Here are the 8 things you need to know.](#)

The discussion draft for the Cannabis Administration and Opportunity Act (CAOA) was released on Wednesday. The bill isn't expected to garner enough votes to pass the Senate — and the White House has not signaled support for the legislation — but Insider looked through the 30-page document to highlight eight key points in the draft.

[A top Wall Street analyst lays out why Schumer's legalization bill isn't a slam dunk for US cannabis companies](#)

In a Thursday note, Cantor Fitzgerald analyst Pablo Zuanic said that while de-scheduling — a key aspect of the COA — would be a big win for the industry, a hefty federal tax would pose a "new burden" to consumers who already have to pay high state and local taxes. Zuanic broke down the draft into 7 points and noted how each one would affect current cannabis companies.

[A top Wall Street analyst lays out 4 cannabis stock picks after Schumer's sweeping marijuana legalization proposal](#)

Analysts say that the recent pullback in US cannabis stocks the day Democrats released their bill draft has created a prime buying opportunity and laid out his top four picks. "Make use of yesterday's weakness," the analysts said in a Thursday note, adding that investors should avoid financially stretched companies that lack "state-level depth."

[Meet the top 11 VCs who've bet the most cash on turning MDMA and magic mushrooms into medical treatments](#)

The psychedelics space has burgeoned over the past year and VCs are largely responsible for all the capital that's flowing into the space. Insider put together a list of the top investors that have bet the most cash on psychedelics companies.

Executive moves

- **Curaleaf** [announced](#) that **Ranjan Kalia**, former executive vice president and CFO of tech firm Virtusa Corp, would be joining the company as CFO.
- **MedMen** [announced](#) that **Tom Lynch**, who had been serving as interim CEO, would be stepping into the role on a permanent basis.
- **President Joe Biden** [tapped Dr. Rahul Gupta as the new director of the Office of National Drug Control Policy](#) (ONDCP). Gupta is the former chair of the West Virginia Medical Cannabis Advisory Board.
- Cannabis retail company **Zoned Properties** named **Berekk Blackwell** as its new COO.
- Psychedelics wellness retreat company **Dimensions Health Centres** [said](#) that **Dr. Douglas Cook**, head of neurosurgery at Queen's University, will be joining the company as chief medical officer. Hospitality veteran Linda Griffin will be joining as managing director of hospitality.

Deals, launches, and IPOs

- Michigan cannabis company **C3 Industries** [closed a \\$25 million funding round](#) led by **Welcan Capital** and **Navy Capital**, bringing the company's total capital raised to \$65 million.
- Psychedelics company **Wesana Health** [announced](#) that it acquired therapeutic software company **PsyTech** in a C\$21 million all-stock deal.

Policy moves

- Democratic Senators unveiled a draft discussion for the **Cannabis Administration and Opportunity Act** on Wednesday. [We've got the main takeaways and a full summary PDF for you here.](#)
- **The United States Anti-Doping Agency** is seeking to ease restrictions around athletes testing positive for marijuana use in an upcoming meeting with **World Anti-Doping Agency** (WADA), [Reuters reports](#).
- **New Jersey** has dismissed 88,000 marijuana cases, under the state's new legal marijuana laws, [NJ Advance Media reports](#).

Research and data

- Living near a dispensary did not increase cannabis use among young adults. However, there was a slight increase in tobacco/cannabis co-use among white people, according to [a new study published in the Journal of Cannabis Research](#).
- A [new study published in the journal Addictive Behaviors](#) found that young men— particularly Black and Hispanic — had higher odds of suicidal ideation coinciding with cannabis use disorder.

Chart of the week

Florida dominates the US medical cannabis market, selling \$1.2 billion worth of products in 2020, according to New Frontier Data. Trailing closely behind are Arizona and California, at \$1.1 billion and \$857 million in sales respectively:

Top 10 medical cannabis market by revenue in 2020

STATE	TOTAL REVENUE 2020
Florida	\$1,165M
Arizona	\$1,127M
California	\$857M
Oklahoma	\$783M
Pennsylvania	\$704M
Michigan	\$486M
Colorado	\$452M
Maryland	\$432M
Illinois	\$372M
Massachusetts	\$277M

Source: New Frontier Data

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