

# MARIJUANA LEGALIZATION FUELS CANNABIS TOURISM IN THE U.S.

Different states in the United States see how the end of cannabis prohibition is attracting tourists who spend between USD 300 and USD 400 per trip. Other countries, like Uruguay, are promoting a project to allow sales of marijuana to foreigners.

Cannabis consumption has expanded throughout the world. The plant that became popular in the 70's has crossed borders and its use is widespread in many countries, either regulated or illegally.

**In countries that have opted for legalization, or at least regulation, marijuana use has become part of the formal economic industry.** Either by the production of marijuana for consumption or hemp as raw material for other industries; or in the exploitation of the incipient "cannabis tourism", a new travel segment that wants to be already established in some parts of the planet.

Recently, an Uruguayan congressman presented a project to legalize the sale of cannabis to foreigners to "help the tourist sector", according to his words. Mr. Eduardo Antonini wants that foreigners arriving in Uruguay can buy cannabis if they wish. According to the official, the proposal seeks to support the recovery of tourism which is currently in crisis.

In Argentina, marijuana use seems to be closely related to recreation, according to the First National Survey of Cannabis in Argentina, supported by the University of Quilmes, in the AMBA the proportion of "recreational" marijuana use reaches 84%, while in the provinces of Patagonia it represents 76% of the people who use it.

If in the future Argentina allows the recreational use of marijuana, the tourist industry could take advantage of it, both to promote the internal movement of travelers and to attract the attention of the world's marijuana consumers, who could find here the consumption of the herb combined with one of the most extraordinary natural landscapes in the world.

On the other hand, in several States of the United States, the tourist consumption of cannabis is already a reality, and any person who wishes to do so can go to a dispensary to buy marijuana or any of its derivatives, such as oils, edibles, among others.

In the States of Alaska, California, Oregon, Washington, Nevada, Colorado, Michigan, Illinois, Massachusetts, Maine, Vermont, New Jersey, South Dakota, Montana, Arizona and New York, the recreational use of marijuana is legal, although its possession, purchase and sale are still illegal at the federal level, so that consumption is limited to the territory of each State, the State Governments can take advantage of cannabis tourism by controlling its consumption and commercialization.

According to Forbes, 68% of American adults support cannabis use, while 50% of millennials - born between the early 1980s and late 1990s - believe that access to legal recreational cannabis is important when choosing a tourist destination and 43% of the same group already chose a destination for those reasons.

According to experts, in the U.S. an average customer spends between \$300 and \$400 at the dispensary during their vacation, about three times more than they spend at other retailers.

In fact, it was estimated that legal cannabis also drives other businesses besides cannabis tourism. It

was calculated that of the \$25 billion generated in the United States from the legal sale of marijuana, \$4.5 billion came from cannabis tourism, which in turn produced a positive impact of an additional \$12.6 billion spent by travelers on restaurants, hotels, attractions, and more businesses, as well as on the tax coffers of each state.

The reason is because for every dollar spent at a cannabis retailer, there is a multiplier effect, with another \$2.8 flowing into local economies, according to Beau Whitney, founder and chief economist of Whitney Economics, a cannabis and hemp business consultancy.

But not all states use cannabis tourism to their advantage, even though recreational use is allowed. **In Colorado, for example, a state that generated 423 million dollars in taxes from cannabis, there is no promotion of cannabis to attract tourists.**

On the other hand, California appears as the mecca for all cannabis consumers in the United States, where not only is its consumption widespread, but there are several organizations that offer cannabis tours and other activities related to this culture.

"By 2025, 50% of travelers in the U.S. will be millennials," says Brian Applegarth, founder of Cultivar, a cannabis tourism strategy firm, "and their relationship with cannabis use is extremely normalized compared to today's stigmatized industry leaders."

Cultivar partnered with Visit Modesto, the convention and visitors bureau for California's Central Valley agricultural hub, to launch the MoTown CannaPass, a passport-like rewards program that provides information for travelers to discover cannabis restaurants, activities and stores in the area.

"We wanted to have the opportunity to say that 'If cannabis is your thing and you're here, we have retail stores that are legal,'" said Todd Aaronson, executive director of Visit Modesto, who remarked that cannabis experiences are comparable to any other tourist activity like visiting a brewery or a winery, "they're all equally regulated, you must have a designated driver for each. All visitors are welcome," he said.

According to his data, since they launched the MoTown CannaPass, **they detected an 11% increase in traffic to cannabis retailers and also in nighttime visits to Modesto.** "I have no regrets, it was a significant result," he concluded.

As for the local level, nothing is said about cannabis tourism as its consumption is still circumscribed to medicinal use. In 2020, the national Ministry of Health created Reprocann, a registry for cannabis consumers and growers for purely medicinal purposes.

Another cannabis milestone in the country took place at the beginning of May when the Chamber of Deputies approved, with 155 votes in favor, 56 against and 19 abstentions, the law regulating the industrial production of the cannabis plant, which had already been approved by the Senate.

The law created the Regulatory Agency of the Hemp and Medicinal Cannabis Industry (ARICCAME), which will have as a function - among others - to regulate the import, export, cultivation, industrial production, manufacture, commercialization, and acquisition of seeds, of the cannabis plant and its derivative products for medicinal or industrial purposes.

Regarding recreational use in the country, there are different bills that seek to decriminalize the possession of narcotics for personal consumption - such as the one being carried forward by the Congresswoman of the Frente de Todos, Carolina Gaillard - but none of them has gained enough political weight.

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