

# Marijuana in Uruguay to cost less than a dollar per gram

May 3 2014, by Ana Inés Cibils

Uruguay has set the price for pot at less than a dollar a gram, as it lays out rules for the government-regulated sale of marijuana in a daring, closely watched social experiment.

The small South American country is following up on its groundbreaking decision in December to legalize the production and sale of marijuana under government control, an international first amid growing sentiment that the war on drugs has failed.

On Friday, the government announced rules for the new market, setting limits on amounts individuals can buy, the potency of the drug and the price.

It also put in place a process for issuing licenses to grow and distribute marijuana.

A decree is to be signed Monday and go into effect the following day.

### Pot by December

Legal marijuana will not actually be available until the end of the year, however, when pharmacies begin selling it under government supervision.

Under the law, consumers will be able to grow their own or buy through



consumers' clubs.

Buyers must be 18 or older, residents of Uruguay, and must register with authorities.

The price for a gram of marijuana has been set at 20 to 22 pesos (the equivalent of \$0.90).

Individuals will be allowed to buy no more than 40 grams a month.

The price reflects the government's estimate of costs plus a profit for producers and pharmacies, officials say.

National Drug Board chief Julio Calzada estimates 18 to 22 tons of marijuana are consumed a year in Uruguay, a country of 3.3 million people.

"Based on this, we need a maximum of 10 hectares (25 acres)" of crops to meet demand, he added.

The marijuana will have a 15 percent concentration of tetrahydrocannabinol (THC)—the plant's main psychoactive ingredient—and come in five varieties.

The price and potency also were chosen in part to compete with illegal pot grown in neighboring Paraguay, the source of almost all the illegal cannabis sold here.

"In part, that's because they say it 'gives a good hit' and it is very cheap. Marijuana sells for \$20 a kilo in Paraguay," Cesar Manuel Sosa, the head of Uruguay's counter-narcotics smuggling office, told AFP.

Some doubt demand for illegal pot will disappear, however.



"There are some people who are afraid of registering because of their work. And if an anti-marijuana government comes to power, the database could be used against them," said Juan Pablo Tubino, owner of a Montevideo store that specializes in pot paraphernalia.

#### **Uncorking demand**

Uruguay's move has set off a boomlet in businesses like Tubino's that cater to cannabis consumption.

Juan Andres Palese and two other youths opened the country's first "grow shop" in December 2012.

Since then, their store, Urogrow, has moved into a space five times larger to display tents for growing marijuana indoors, lamps and planters, as well as imported fertilizers.

Palese has competition from two other stores in Montevideo with a third on its way, and a fourth near the exclusive Punta del Este beach resort.

"Obviously the number of growers will increase with the new law, but I think there has been an uncorking of demand since it was passed by the Congress," Palese said.

"There were people who grew marijuana discreetly who have come out of the closet, as it were," he said.

## A controversial experiment

Heavily criticized by the United Nations' International Narcotics Control Board (INCB), Uruguay's <u>marijuana</u> experiment is being closely followed by countries eager to find an alternative to the expensive and



violent "war on drugs" spearheaded by the United States.

Hannah Hetzer from the US organization Drug Policy Alliance said there is global interest in studying what aspects of Uruguay's pot-controlling experience can be applied to other countries.

"There is a consensus in several countries that what we are doing in the war on drugs is not working, but not on what the correct answer would be," said Hetzer.

"There are always risks in any reform of drug policies," she said.

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