

# Creating a New Pharmaceutical Industry in Canada

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## Issue:

Growing poppies for medicinal use constitutes a thriving industry in the United Kingdom, Europe, and Australia, but not in Canada. This not only presents an economic diversification opportunity for Southern Alberta's agricultural sector, offering long term employment and growth opportunities for this and numerous other industries, but would provide Canada with a homegrown source of vital medications.

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## Background:

Poppies can be used to produce prescription drugs such as morphine and codeine. In addition, an Alberta-based firm has patented a strain of thebaine poppy which produces no morphine but is essential for the production of life-saving medicines including naloxone, suboxone, and buprenorphine, which are used for overdose protection and addiction recovery programs.<sup>81</sup>

Despite thriving industries in the United Kingdom, Europe and Australia growing poppy for medicinal use, Canada – as a major importer of these products – has not been involved in the growing of poppies. In 2018, the last year for which this information is available, 12.7% of Canadians, or approximately 3.7 million people, had reported using opioid pain relievers in the previous 12 months<sup>82</sup>.

In 2023, Alberta's agri-food exports reached a record high of \$17.64 billion, accounting for 10% of the province's total international merchandise exports.<sup>83</sup> Of this figure, the U.S. accounts for nearly 50%, or \$8.8 billion of Alberta's exports. The poppy industry would have the potential to serve a market in the U.S., which is currently in excess of \$25 billion and growing<sup>84</sup> thereby increasing net exports from Alberta as a whole.

Only a handful of locations have the ideal growing conditions for a high thebaine content poppy crop in our country. As such, this crop has the opportunity to provide Southern Alberta with a new industry through a diversification of the agricultural sector, as well as promote continued long-term job creation and stability.

As a hub for educational opportunities, Lethbridge and Southern Alberta is promoting innovation and diversification in all industries. A recent Memorandum of Understanding between the University of Lethbridge and the Lethbridge College has committed both institutions to furthering research opportunities in agriculture and agribusiness. Adding to the impact of education and research on agriculture, the Lethbridge Research and Development Centre is one of Canada's largest agricultural research facilities. Its

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<sup>81</sup> History, API Labs <https://api-labs.com/history.php>

<sup>82</sup> Pain relief medication containing opioids, 2018 <https://www150.statcan.gc.ca/n1/pub/82-625-x/2019001/article/00008-eng.htm>

<sup>83</sup> Export Tool <https://export.alberta.ca/export-tool/>

<sup>84</sup> U.S. pain management drugs market Insight 2022-2031 <https://www.alliedmarketresearch.com/us-pain-management-drugs-market-A09451>

location in the Southern Alberta market provides a suitable long-term strategy to ensuring growth and diversification in the agricultural industry.

Agriculture Canada supported the project with a \$450,000 repayable loan in 2012 to establish poppy cultivation and develop the high-value crop however Health Canada has yet to grant the necessary licensing for commercial sales to begin.

It is critical for the federal government to allow the private sector to innovate and find new, value-added opportunities by using our soil, water, processing factories, and research scientists. Promoting the success of public-private partnerships in the growth and diversification of the Southern Alberta market will lead to a long-term sustainable economy.

In 2024, The Government of Alberta announced the Critical Medicines Production Centre, providing an opportunity for interprovincial collaboration, making Alberta an end-to-end provider of necessary pain relief drugs, from cultivation to production.

The Alberta Chambers of Commerce supports the creation of a cluster of biological science industries that would match farm commodities with biotechnical research. This approach has the potential to stabilize the foreign exchange fluctuations that negatively affect the international competitiveness of many agricultural and manufacturing sectors.

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**The Alberta Chambers of Commerce recommends the Government of Alberta:**

1. Communicate the importance of the thebaine industry to the Government of Canada; and,
2. Engage, invest in and provide support to this new emerging industry as part of the long-term strategy for Alberta's economic diversification, including:
  - a) Investigating artificial synthesized alternatives; and,
  - b) Providing incentives to encourage the industry to locate and remain in Alberta.

**The Alberta Chambers of Commerce recommends the Government of Canada:**

1. Immediately greenlight, as a proof of concept that it can be undertaken in a safe and controlled manner with similar restrictions as the cannabis industry, the cultivation of API Lab's patented a strain of thebaine poppy;
2. Support the creation of a new pharmaceutical industry by recognizing the potential of farming and processing of high-level thebaine poppy in Canada; and,
3. That applications be expeditiously reviewed and approved by Health Canada and the Canadian Food Inspection Agency to help diversify the economy.