

The Need to Be Green: Focus on Environmental Sustainability Can Inure to Bottom Line for Cannabis Industry

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A recent article published in Politico highlights some of the potential impacts of cannabis production on the environment. As the production of cannabis accelerates across the United States, it is becoming increasingly likely that the environmental impacts of cannabis production will become more regulated especially in the areas of energy use and water reliance. Cannabis companies would be well served to ensure that they have effective environmental management strategies in place to not only ensure continued compliance but also to reduce the companies' environmental footprint that could in turn result in significant cost savings.

For example, according to the article, a typical growing operation can consume up to 2,000 watts of electricity per square meter for indoor growing operations as compared to 50 watts of electricity for growing other leafy greens such as lettuce. According to a recent study, at least one expert estimates that cannabis production accounts for about one percent of electricity consumption in the United States. Depending on the source of electricity, greenhouse gas emissions may be generated in the course of energy production that could be attributable to the cannabis operation's carbon footprint. President Biden is focused on reducing greenhouse gas emissions and one the key focus industries for President Biden is the agricultural industry. Implementing an energy efficiency program with a focus on renewable energy sources may allow cannabis companies to be better positioned to comply with future regulations while at the same time reducing overall energy costs.

Although not discussed in the article, cannabis production can be a fairly water intensive process with some studies estimating usage as high as six gallons per plant. A recent study concluded that by 2025, total water use in the legal cannabis market is expected to increase by 86%. As water scarcity issues become more prevalent especially in light of the changing climate, ensuring adequate sources of water will be critical to ensuring the ability to continue to grow cannabis plants. At the same time, adopting effective water conservation procedures will allow facilities to reduce their environmental footprint with resulting cost savings.

For more detailed insight on these issues, please click here for an article that was recently published in the Cannabis Law Journal.

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