

Football, Beaches And CBD? Brazil's Loosening Regulations Could Stir A Local CBD Boom

By Jad Malaeb



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The road to the federal legalization of cannabis in the U.S. has taken attention away from a burgeoning cannabidiol (CBD) movement occurring south of the border.

Much like the U.S., Latin American countries like Uruguay, Colombia and Brazil have been writing their own cannabis legalization stories, but one, in particular, has presented investors with a unique opportunity.

In 2019, the Brazilian Health Regulatory Agency (ANVISA) approved regulations for the rollout of medicinal cannabis products in Brazil. Unlike [Uruguay](#) and [Colombia](#), however, Brazil prohibited domestic cannabis cultivation. This placed CBD importers in a particularly powerful position as the sole suppliers of cannabis-based products to the largest country in the South American continent.

Some U.S. importers were quick to capitalize on the regulatory developments. The [U.S. Department of Agriculture](#) (USDA) claims that Brazil imported \$90.4 million of CBD from 2010 to August 2020, with the U.S. responsible for 14% of the total. In 2019, after the legislation passed, the U.S. accounted for 22% of the total.

With over 210 million people, Brazil accounts for [50%](#) of the continent's population. The mix in market size and loosening import regulations have likely contributed to the steady rise in the market value of CBD in the last four years, and this growth is projected to continue. [Statista](#) estimates the market value of CBD will grow from \$27.5 million in 2021 to \$38 million in 2024.

Strategically positioned to take advantage of this growth is **Marijuana Company of America Inc.** (OTC: MCOA), an operator and investor in global cannabis companies. Last October, the company [announced](#) it received approval from Brazil's regulatory agency ANVISA to sell physician-prescribed hempSMART™ in the country.

The company has begun to fill prescriptions and expects continued requests.

CBD In Brazil: Capitalizing On A Rare Opportunity?

With this recent development, Marijuana Company of America (MCOA) joins powerhouses like **Tilray Inc.** (NASDAQ: TLRY) and **Canopy Growth Corp.** (NASDAQ: CGC) by targeting the burgeoning cannabis market in Latin America.

As of Oct. 11, MCOA hempSMART™ is being shipped directly to Brazilian patients. Cannabidiol (CBD) oil can be sold in Brazil only to [medical cannabis patients](#) who receive a special control prescription from their physicians that must be renewed every 60 days.

"We have been working with the Brazilian medical community with outreach and education about our premium hempSMART™ products, and this approval of registration from ANVISA validates our premium hempsmart™ CBD products as a new class of medical cannabis-based products that can be prescribed by doctors, enabling patient

safe and legal access while also creating a revenue generation opportunity for our company," MCOA CEO Jesus Quintero [said](#).

Brazil is a major market for pharmaceutical products. With approximately 208 million people and the world's ninth-largest economy, MCOA estimates that Brazil's gross domestic product (GDP) per capita is over \$16,000. Sao Paulo is the largest urban centre in Latin America, and the Golden Triangle of Belo Horizonte, Rio de Janeiro and Sao Paulo is the largest single market in the Americas outside of the United States.

"The response to our premium hempSMART™ products has been overwhelmingly positive, and this confirms what we have known all along: that there is a real need for premium and superior products like hempSMART™ in the marketplace," Quintero said. "We look forward to ramping up our growth and expansion plans as well as continuing to build a strong partnership with Latin America, which shares our commitment to making high-quality premium CBD products."

For more on the rise of CBD in Brazil and how you can get involved, click [here](#).

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