

Neil Closner - CEO, MedReleaf, Canada



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With already 20 percent of market share in the medical cannabis sector in Canada, MedReleaf is getting ready for the upcoming legalization of cannabis for recreational use. The company's CEO Neil Closner also highlights MedReleaf's important efforts in conducting R&D and clinical studies in order to present practitioners with relevant data demonstrating the benefits of medical cannabis.

Coming from a hospital background, what was your personal motivation behind founding a medicinal cannabis company in 2013?

I moved to medical cannabis as a highly exciting industry where much remains to be discovered. I see an opportunity in this industry to help people significantly improve their quality of life by advancing the science and understanding of the cannabis plant's potential. It is not yet fully understood on a scientific level and the possibilities of discovery are endless.

What is MedReleaf's position in the medicinal cannabis field today?

We are the leading premium producer of medical cannabis. While premium means different things to different people, we are amongst the highest quality producers of cannabis products in Canada, demonstrated by the fact that although our prices are higher than all other players in the market, we still retain a 20 percent market share.

The quality of MedReleaf's products is valued by the public and is reinforced by the consistent string of awards we take home at various events. To date, we have also been the only large producer that has not faced a single recall. Finally, our ISO and GMP labels further differentiate us

from our competition, placing us beyond suspicion/reproach from a quality assurance and regulatory standpoint, as we are the sole medical cannabis player in North America to hold that double certification.

Our growing method is one warrant of our high quality in production. We grow indoors in a completely controlled environment. Therefore, we are able to generate a consistently healthy product, controlling all growing variables.

Further, we ensure our high quality by emphasising research and development. We were one of the last big producers to launch cannabis oil on the market because we conducted thorough testing, in order to ensure that the products would be safe for use. Although it was time consuming, we are certain that our bottles can withstand time and the elements.

This rigor has allowed us to be perceived as guarantors of quality. Canadian authorities can comfortably approve our products with absolute certainty.

MedReleaf is also very focused on differentiating its products by innovating, while listening to the needs of patients and healthcare practitioners. What does innovation mean in your future portfolio strategy?

We have just recently been approved to sell soft gel capsules and topical creams, making us the first mover in both segments of the Canadian market. We are always ahead of our competitors in launching new and innovative products to the market. Naturally, many of our future innovations will be limited to what regulations will allow. We expect some more restrictive regulations in the coming months, but remain confident that we will be able to expand into all fields available to us within the law.

You are also collaborating on several studies for cannabis-based products. How do you tap into Canada's incredible potential in R&D in this regard?

We are engaged in more than half a dozen studies at various approval stages. While we are extremely active on that front and researchers in Canada are renowned worldwide. The potential to conduct significant studies that will advance discovery of the benefits of medical cannabis is present in Canada, but some researchers have been reluctant to associate their names to a medicinal component that is still highly stigmatized.

A test we will be finalizing in March on the subject of genetics will enable us to provide practitioners with long-awaited answers, helping them in their decision to prescribe medical cannabis as a trusted remedy for certain conditions.

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Where do you see the responsibility of companies like MedReleaf, a market leader, to advocate for greater awareness and fewer biases, also via your role as Chairman of Cannabis Canada?

The industry is still in its infancy in every respect, including educational efforts. MedReleaf devotes a considerable amount of time informing and educating the medical community on the positive impact of cannabis on patients.

Moving forward, I think that the element that will truly help support educational efforts sustainably is data – proof collected from amongst medicinal cannabis patients. Ultimately, only data can provide definitive proof of the positive effects of medicinal cannabis and convince skeptics of the benefits, guiding them towards an alternative form of prescribing.

This is a very exciting time in Canada, where the country is building an entirely new industry around cannabis: new rules and regulations around production, manufacturing, transformation, sales and policy. What role do you believe Canada should play in the medical and recreational cannabis landscape?

For once, I see an opportunity for Canada to decisively step out of the shadow the US.. In medical cannabis, on an industry level, we are much further ahead. We have a responsibility seize this opportunity on a global stage. No other country has grown cannabis at an industrial level before and we are well positioned to both develop and export best practices globally. We have learned to scale production and have found new and innovative ways to render production more efficient. We have made our fair share of mistakes but have gained considerable knowledge and expertise in the process.

Not only on the production side, but as well on the research side, there are a multitude of areas in which we can lead as we have the latitude from a regulatory standpoint to step innovate in product development and clinical trials. As an industry, we have repeatedly sent the following message to our government and agencies: “provide us with the tools so we can lead, because we know we can.”

How have you found the relationship with Canada’s regulatory agencies: are they open for dialogue?

The dialogue with the regulatory agencies has proven to be positive and it is relatively easy to enter into open discussions. Of course, as an industry player we are able to point out situations in

which we believe there is room for improvement. Some of our suggestions have been adopted, which has been encouraging. However, Health Canada and the government at large are pursuing a very cautious path, which can sometimes be perceived as moving slowly. Nonetheless, this sense of caution is not surprising. At this time, all eyes are on Canada—a phenomenon intensified by the upcoming legalization of cannabis for recreational use— and Canada has to prove it can get things right the first time around. There is no room for failure. Given the high stakes, I feel confident that we are doing the best job possible and keeping the momentum moving.

Legalization is on Canada’s doorstep, and MedReleaf has signed a letter of intent with the province of Québec last year, promising the supply of an annual eight tons of cannabis following legalization. What do you foresee to be the opportunities and challenges in the recreational market?

The recreational market promises to be so important that most medicinal cannabis producers will also be producing for adult use. Luckily, we have the experience needed to produce on an industrial scale. MedReleaf also plans to be in this market and has been in proactive discussions with the government and authorities. The scale of this project is much more than simply growing for medicinal purposes. There is also an important political dimension, which is why the dialogue with authorities has been more formal and will really ramp up upon legalization.

We do not yet know about concrete regulations for the recreational market, whether branding will be legal and to what extent we will be able to communicate about our products. Nevertheless, the excitement remains and we have begun the legwork on several products.

Where do you see the relationship with traditional pharma companies headed? Are medical cannabis companies perceived as a threat or is there room for collaboration?

I think there is some of both: traditional pharma see us as a threat and consequently should look for opportunities for collaboration. There have been ongoing discussions, more on the exploratory level, and big pharma will probably need more time to determine their approach to this emerging segment.

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The number of cannabis producers has been consistently growing in Canada. How do you ensure you remain competitive?

MedReleaf has achieved higher profits than all other producers combined in the market. This is in large part due to our ability to scale. While some of our competitors seem to have embarked on a

ride to build, expand and announce at the same time, we have built a business of scale conservatively and appropriately. There are no benchmarks in the medical cannabis industry and the excitement of being an innovator comes with the risk of being the first failure. We obviously make educated leaps to ensure we avoid the later.

By staying true to our business model, we employ over 300 people today across two facilities in the Toronto area and have just announced the acquisition of a million square foot greenhouse that we will incorporate step by step into our operations.

What is your strategy for the future growth of MedReleaf?

MedReleaf's future growth will revolve around four pillars. The first is centered on continuing to grow the medical cannabis market in Canada. The second is around product innovation for both the medical and recreational market. Then, the recreational market and the expected legalization are a pillar unto themselves which we plan to build. Finally, internationalization. We signed a research collaboration with an Israeli company and a partnership agreement in Australia for which we have a license. We are also engaging in talks in Germany. Overall, we have people on the ground in over half a dozen countries around the world and see the global stage as an important opportunity to pursue parallel expansion in Canada.

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