

Trump's Endorsement of Cannabis Reform Sends Stocks Soaring

Trump Advocates for Cannabis Reform, Supports Rescheduling and SAFER Banking Bill

In a move that has surprised many, former President Donald Trump has embraced cannabis reform, supporting the rescheduling of marijuana and the long-stalled SAFER Banking bill. Trump, often associated with conservative policies, is now advocating for a more progressive stance on cannabis in a bid to appeal to a broader range of voters ahead of the 2024 election.

Trump Endorses Cannabis Rescheduling

On his social media platform, Truth Social, Trump shared his support for reclassifying marijuana as a Schedule III drug, aligning himself with the Biden administration's efforts to ease federal restrictions on cannabis. This would allow further research into the medical uses of marijuana and remove some of the barriers that currently hinder the cannabis industry.

"As President, we will continue to focus on research to unlock the medical uses of marijuana as a Schedule 3 drug, and work with Congress to pass common sense laws, including safe banking for state-authorized companies, and supporting states' rights to pass marijuana laws," Trump wrote.

His comments represent a significant shift in tone from his previous administration, during which federal cannabis reform stagnated despite growing state-level legalization.

Support for the SAFER Banking Bill

Trump also threw his weight behind the long-awaited SAFER Banking Act, which would allow cannabis businesses to access banking services without the fear of federal penalties. Since the cannabis industry remains illegal under federal law, many dispensaries and cannabis-related businesses operate on a cash-only basis, increasing risks of theft and financial instability.

Trump's endorsement of the bill could signal a turning point for the cannabis sector, which has struggled to secure banking and financial services under the existing legal framework. The SAFER Banking bill has been a key legislative priority for the cannabis industry, but it has faced repeated delays in Congress since 2019.

Rising Cannabis Stocks Following Trump's Statement

Trump's backing of cannabis reform sparked a rally in cannabis stocks, signaling optimism about the future of the industry under potential bipartisan support. The American Cannabis Operator Index, which tracks the stock performance of the 12 largest U.S. cannabis companies, surged nearly 10% after Trump's comments.

Several major cannabis companies experienced sharp gains, with **Trulieve** (TCNNF) seeing a 32.8% rise, while **Verano Holdings** (VRNOF) and **Curaleaf** (CURLF) posted increases of around 16.5%. Even Canadian operators like **Tilray** (TLRY) and **Canopy Growth** (CGC) experienced double-digit gains, with Canopy Growth up by 14.7%.

Industry Leaders Respond to Trump's Position

Trump's statement has been welcomed by many in the cannabis industry, who see it as a much-needed boost for reform efforts. Emily Paxhia, Managing Partner at Poseidon Investment Management, highlighted the significance of Trump's shift.

"Cannabis reform has long been a bi-partisan issue when it comes to the voters, but lawmakers on both sides of the aisle have failed to act on behalf of their constituents," Paxhia said. "Trump has thrown down the gauntlet with his latest commentary on cannabis reform... His opinion on cannabis is becoming more informed."

Brady Cobb, CEO of Florida's Sunburn Cannabis, also expressed optimism about the potential for bipartisan support as cannabis becomes a more central issue in the 2024 election.

"I've long believed and stated that Fmr. President Trump would be supportive of cannabis reform, and today's messaging marks his strongest endorsement of the issue to date. Onward," Cobb stated.

A Growing Bipartisan Issue

The cannabis industry has seen increasing support from both sides of the political spectrum, with cannabis reform polling higher among voters than many other national issues. Trump's renewed stance on cannabis reflects the growing bipartisan momentum for legalization and reform, particularly as more states like Florida move toward adult-use legalization.

Ali Amirhooshmand, Head of Government Relations for cannabis tech company Dutchie, emphasized this bipartisan trend: "President Trump's recent statement in support of Amendment 3 and his call for smart cannabis regulations, safe product access, and the rescheduling of cannabis to Schedule 3 reflects the growing bipartisan momentum for reform."

Challenges for the Harris Campaign

Trump's support for cannabis reform has also highlighted a potential vulnerability for Vice President Kamala Harris and the Biden administration. Although the Biden administration began the process of rescheduling marijuana, progress on federal decriminalization has been slow. With Trump making cannabis reform a part of his 2024 platform, the issue could sway voters who are eager to see more substantial policy changes.

As the cannabis debate continues to unfold, it remains to be seen how both parties will address the issue in the lead-up to the 2024 election. For now, Trump's unexpected endorsement has injected new energy into the cannabis reform movement and may accelerate legislative action on cannabis banking and rescheduling.

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