



afristar
CANNABIS LOBBY GROUP

SA CANNABIS LOBBY GROUP

RAPID INDUSTRIALISATION OF CANNABIS

CANNABIS

SA CANNABIS LOBBY GROUP

- **Partnership** between the Western Cape branch of the Cannabis Development Council of South Africa (CDCSA) and Afristar Foundation.
- Established to **represent civil society in lobbying** parliament & government to **raise awareness** of the health and socio-economic potential of the cannabis plant
- Undo the legacy of 120 years of racist & scientifically baseless cannabis prohibition
- Advocating for a **rational scientific and agricultural based approach** to cannabis legislation to benefit all South Africans
- Fostering **open communication and fact-based discussion**
- We envisage the plant playing an important role as **South Africa's primary reconstruction and development agent** to put us at the forefront of the rapidly emerging global, multibillion-dollar cannabis industry



FRAMING THE LEGISLATIVE LOBBY OBJECTIVES

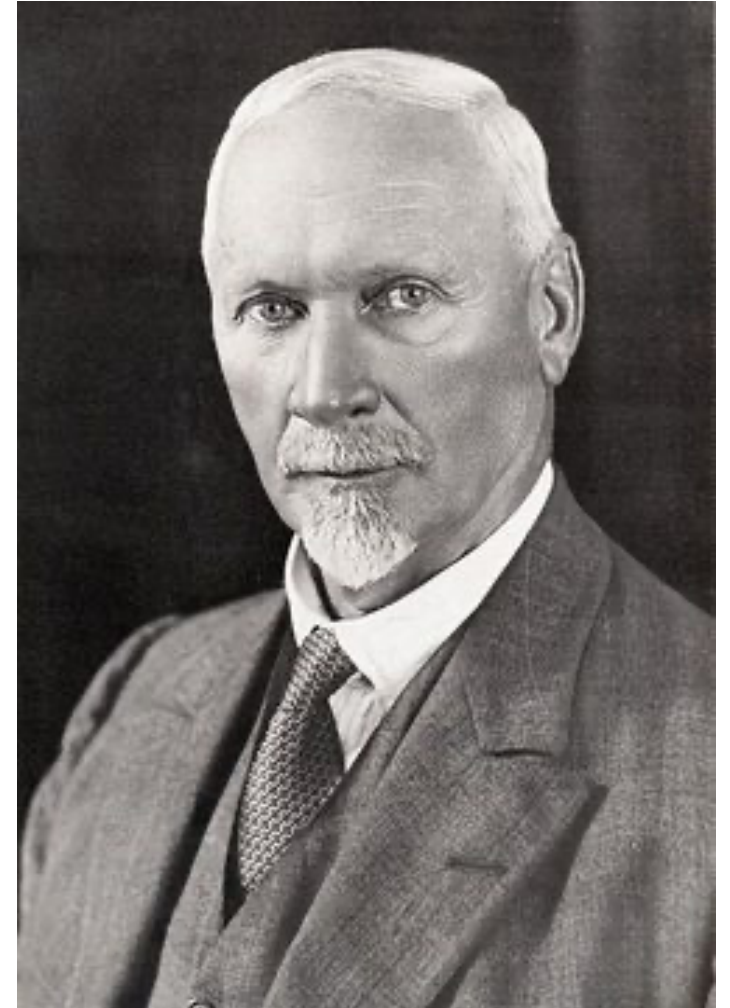
- Cannabis globally is in an **unprecedented position**
- Cannabis provides a sunrise industry opportunity for South Africa unseen since gold was discovered on the Witwatersrand.
- Our long history of illicit cannabis production and export, puts us in a strong position to develop a local cannabis market that unlocks the entire value chain, creates jobs, stimulates economic growth, generates substantial tax revenue for the fiscus and provides cheap health care solutions for our people.
- **Our approach to cannabis needs to be driven from an African viewpoint of understanding the natural resource that we historically have at our disposal and how we can best unlock this for the benefit of our people and country.**



SOUTH AFRICA'S

COLONIAL CANNABIS LEGISLATION

- Cannabis legislation in South Africa is a history of racist colonial and apartheid legislation
- South Africa has the dubious distinction of being the 1st country in the world to propose the criminalization of cannabis under Jan Smuts.
- This proposal ultimately led to the League of Nations banning cannabis worldwide in 1925.
- South Africa had their 1st National law in 1923 and enacted a comprehensive cannabis law in 1928 after the League of Nations passed a resolution in 1925.
- It would seem that the current South African government still endorses the mis philosophy that informed that proposal despite cannabis being a hot commodity worldwide, nowadays.



TOWARDS AN ENABLING POLICY ENVIRONMENT

- We have to understand what we have in order to work out where **we want to go** and how this relates to our international obligations.
- Policy makers and regulators who fail to recognize or fully appreciate the why-and-hows for establishing the fundamental elements can not only slow down the development or maturation of a legal cannabis market, but ultimately lead to unintended consequences and undesired results, defeating the very purposes of reform and legalization in the first place.



KEY LOBBY OUTCOMES

- Introduced in South Africa at significant scale
- Regenerative Agricultural land use model based on ecological design
- Resistant to external shocks such as climate change
- Legislative lobbying objectives designed to meet the Constitutional Court Ruling of September 2018 and create enabling conditions for what we have termed the **Rapid Industrialisation of Cannabis in South Africa**
- Industrial Cannabis
- Medical Cannabis
- Responsible Adult Use
- Green Restoration



KEY LOBBY OUTCOMES

INDUSTRIAL CANNABIS / HEMP

- Move regulation of the plant from the Department of Health to the Department of Agriculture.
- Treated as an **agricultural commodity** no longer requiring special permits to be grown and returns the plant to a cash crop status.
- Industrial Cannabis / Hemp to be **classified by end use for commercial purposes**.
- This requires developing an **African definition of Industrial Cannabis / Hemp** and moving away from the arbitrary .3% THC defined in Europe & North America.
- Enable the **utilisation of existing genetics** that have been grown in SA for hundreds of years
- Naturalised, drought tolerant and currently being grown (illicitly) by small farmers all over the country (as mentioned by the President in his SONA 2020).
- Allowing small farmers to participate in the rapid industrialisation of cannabis utilising their traditional genetics.

KEY LOBBY OUTCOMES

INDUSTRIAL CANNABIS / HEMP

- **End use regulation of higher THC cannabis** which allows our existing genetics to be grown for industrial purposes
- **Regulated at the point of processing** rather than as a crop in the ground.
- **Existing genetics and small scale farmers to drive industrial cannabis development starting with what we have.**
- Research & Development for our industrial cannabis programme based on existing land race genetics
- Respecting & protecting our heritage and the potential of our existing cannabis resource base.



KEY LOBBY OUTCOMES

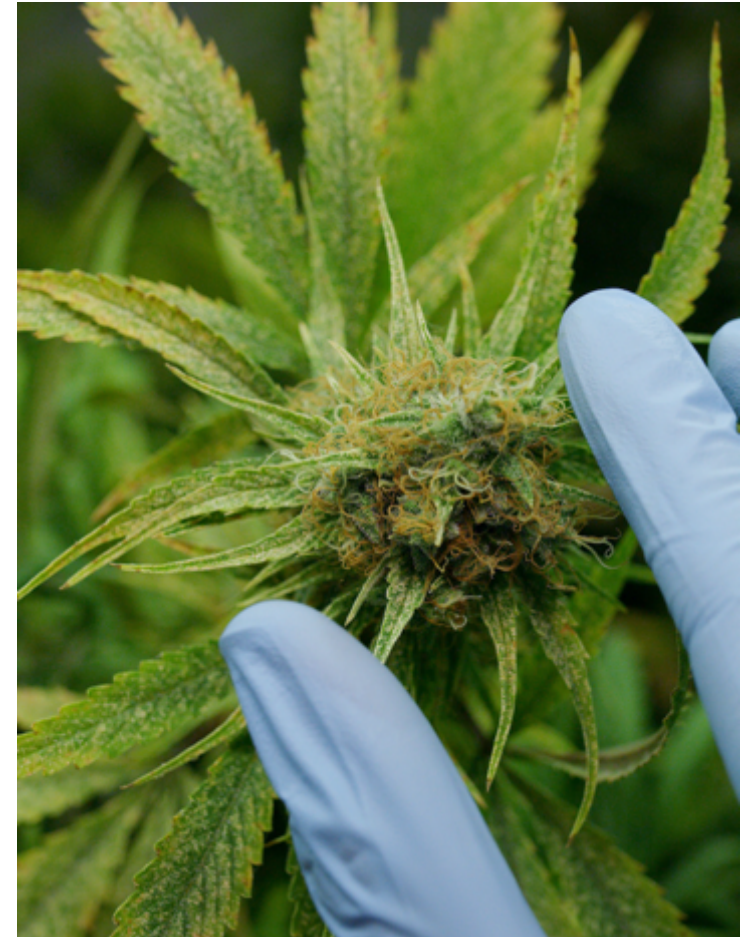
CANNABIS FOR MEDICAL PURPOSES

- Urgently **improve access to cannabis pharmaceutical and complementary medicine** allowing for a transparent fast tracked process that **opens the market for all**.
- Allow **access to cannabis for medicine & preventative health care for all** those that seek to benefit from the healing attributes of the plant **at low price points so as to be available to the majority of our people**.
- Establish enabling cannabis healthcare / wellness regime where **pharmaceutical grade medical cannabis** for **specific conditions** is controlled and administered through SAHPRA
- Establish enabling cannabis healthcare / wellness regime for **complementary health care products** for **non-specific conditions** use would fall under traditional and natural health products regulations.
- **Establish a separate and new Cannabis Agency as mandated by the international narcotic treaties** for countries that allow the use of cannabis for medical reasons.
- This agency would be solely responsible for cannabis and separate from SAHPRA and the Department of health.

KEY LOBBY OUTCOMES

CANNABIS FOR MEDICAL PURPOSES

- Shift in the current SAHPRA medical licensing approach which is onerous and focused on export towards **developing a local market for medical cannabis**.
- Cannabis for health/wellness available through a **doctors' or traditional healers' recommendation** which would entitle a person to become a recognised medical cannabis user and have access to medical cannabis products, including flowers, extracts, edibles and vaporisers.
- **Motivate for research and development** based on efficacy, including indigenous knowledge and regional genetics to **maximise South Africa's competitive advantage**.
- Opening up and encouraging **academic medical cannabis research** exploring new cannabis medicines and applications and soliciting international research & development funding.



KEY LOBBY OUTCOMES

RESPONSIBLE ADULT USE

- The constitutional court found the existing criminal cannabis laws to be unconstitutional and indicated that they should not be regulated by the criminal justice system.
- Unanimously ruled that the personal use of cannabis is not a criminal offence in private
- However this is limiting in that it allows only those with access to private land the right to grow cannabis, thereby **excluding the vast majority of our people**.
- The **law needs to accommodate a reasonable trade in recreational cannabis** so as to enable people without access to land the right to still use cannabis in the privacy of their homes.
- We believe that our interpretation of this is a reasonable request to our State & would negate the need to revisit the constitutional court on this matter.

KEY LOBBY OUTCOMES

RESPONSIBLE ADULT USE

- **Expand the Constitutional Court ruling** based on the right to privacy, to include the ability to cultivate, extract, process, manufacture and sell cannabis-based products for recreational use, along the same lines that alcohol and tobacco are currently regulated.
- **State to formalise the existing illicit market and allow it to be taxed** - the recreational cannabis market is a massive potential revenue generator for the fiscus
- **Enormous potential tourism opportunities** from legal recreational cannabis market opening our long established growers in the 'dagga belt' to tourism income opportunities from visitors wanting to experience traditional growing operations and world famous brands like Durban poison and Transkei rooibaard.
- Immediately establish **guidelines for the SA Police Service to operate under** that protect cannabis users rights and stop arrests and police brutality towards marginalised communities that often face the brunt of police "dagga" operations.

KEY LOBBY OUTCOMES

GREEN RESTORATION

“Our constitution gives our people the right to a clean and healthy environment. Our people are bound up with the future of the land. Our national renewal depends upon the way we treat our land, our water, our sources of energy, and the air we breathe”

“As we go into the future together, we need to be united in building a sustainable basis for the use of our resources. We need to ensure that there is development to meet the basic needs of our people, but that development should be mindful of our fragile resources. So, we must promote development that takes into account our reconstruction needs now as well as leaving our children and their children a share of our precious resources.”

Nelson Mandela; Foreword to Environment Reconstruction & Development; 1995

KEY LOBBY OUTCOMES

GREEN RESTORATION

- Cannabis aligns to the National Development Plan by unlocking the economic prosperity of the country with an environmental “bottom line” as the foundation for economic and social policy that allows us to address environmental security and the growing impact of climate change.
- Develop proactive and empowering regulations to allow cannabis to restore the dignity of ordinary people, creating jobs for meaningful work to grow and manufacture their own, food, fuel, fibre, shelter and medicine in a green sustainable way.
- Cannabis users are not criminals, all criminal records for cannabis related crimes to be expunged with provisions for a **social equity programme for victims of the pernicious “dagga act”**.



NEW SOCIAL COMPACT

CANNABIS THE SUNRISE INDUSTRY

- Cannabis is a **South African natural resource** and should be managed in an **innovative new social compact** that recognises the potential of this high value cash crop
- Cannabis properly regulated, organised and managed to benefit the majority of our people will establish **new pathways for rural development** placing a hugely viable cash crop in the hands of the rural poor, marginalized and dispossessed.
- Due to cannabis having been excluded from the formal economy for so long, it is a potential brand new sunrise industry – opportunity to develop new technologies for efficient modern processing.
- Existing technologies lying dormant in the country that need to be exploited in the short term to rapidly unroll simple industries that can immediately add value to regional economies and the fiscus.



PROPOSED STRUCTURE FOR CANNABIS IN SA

- State is central to introducing modelling and controlling cannabis production so as to ensure the benefit is carried to the majority of the rural poor.
- National Asset & should be managed as such with the formation of a **Cannabis Desk in the Office of the Presidency** that in turn could lead the formation of some sort of Cannabis State Developmental Agency that is in line with our developmental state objectives.
- The aim will be to develop the multi billion Rand cannabis value chain in South Africa to enable the empowerment of small scale farmers and the development of agro-processing cooperative hubs that support regional integrated development plans.
- Development of industry specific business plans to unpack these value chains requirements
- The cannabis desk in the Presidency would be in line with the United Nations Single Convention on Narcotic Drugs that specifies that any country that moves to legalise cannabis needs a specific agency to run the industry medically or scientifically. It is our intention to partner with the Presidency to establish this desk to manage cannabis in SA.

CANNABIS DESK IN THE OFFICE OF THE PRESIDENT

- Design & implement an industrial cannabis roll out strategy to capacitate at least 100,000 small scale farmers, establishing cannabis cooperatives that would grade & purchase cannabis for processing & extraction, focused on;
 - Developing food grade products (edible oil, hemp hearts, hemp protein powder) from the seed
 - Processing bast fibre and hurd for use in the building sector for housing, board and insulation
 - Extraction of cannabinoids for medical purposes for local use & export, to be a disruptor in the global cannabis market and provide cheap affordable cannabis based medicines for all our people
 - Develop a seed oil to bio-diesel programme enabling SA to become a green oil producer
 - Establishment of provincial training colleges focused on youth unemployment to provide models of best practice incorporating food & water security, skills training demonstrating effective land use management
- **Implementation think tank of industry specialists & community activists** who are familiar with the plant and the potential value chains. The cannabis desk will be responsible for coordinating the Cannabis master plan for South Africa and liaising with all respective ministries.

TOWARDS A CANNABIS MASTERPLAN

- Opportunity to design a new agricultural system
- Inputs towards a Cannabis Master Plan at DTI & Agriculture to be finalized by June.
- Input based on utilizing local genetics and existing farmers as the cornerstone of an industrial cannabis strategy .
- Agriculture as the driver of cannabis and agro processing. DTI driver of industry and small business development.
- Estimated conservative production values per hectare of hemp with average yields under good growing conditions can generate the following for these specific end uses;
 - Stalk biomass estimated worth R50,000
 - Fibre, estimated worth R18,000 fibre and
 - Seed (oil, shelled seeds and seedcake) with an estimated value of R 155,000
 - Cannabidiol (CBD) is a by product with significant additional value of up to R100,000

CANNABIS MASTERPLAN

AGRO PROCESSING OPPORTUNITIES

- We have to focus on developing local cannabis agro processing capacities and policy frameworks to develop local markets. Our SA cannabis industry cannot be focused on export only.
- There is an Opportunity to expand on existing processing capacity or develop new agro processing lines based on;

1. DECORTICATION

- HURD
 - Particle board press
 - Brick making
- BAST FIBRE
 - Paper
 - Textiles / woven & non woven
 - Insulation

2. SEED

- Oil
- Powder
- Hemp Hearts
- Bio plastics
- Bio Diesel

3. ETHANOL

- Bio Fuel

4. CANNABINOID EXTRACTION

CANNABIS MASTERPLAN

DEVELOPING LOCAL MARKETS

- There can be NO cannabis industry in SA without developing local markets
- Massive opportunity to develop our local markets to meet local needs and NDP goals.
- The quickest route to market in the short term is to follow the rapid industrialisation of hemp model through the adaption of simple technology, low risk products that can immediately penetrate our existing markets with quality goods at competitive prices.
- These include;
 - medium to low-end value adding opportunities for building materials such as hemp board and insulation, livestock feed, bedding, biomass fuels, pulp and paper.
 - high-end value added opportunities in the oil and health food markets; moulded or pressed board such as car body panels;



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