DISCUSSION DOCUMENT
THE RAPID INDUSTRIALISATION OF CANNABIS IN SOUTH AFRICA

Introduction:

The SA Cannabis Lobby Group is a 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 and government to raise awareness of the health and socio-economic potential of the cannabis plant, and to undo the legacy of 80 years of racist and scientifically baseless cannabis prohibition.

Our entry point with regards to cannabis legislation is that dagga / cannabis / hemp has always formed part of our indigenous economy and that this economy and its people were criminalized by the colonial and apartheid regimes respectively. This criminalization was overturned by the Constitutional Court ruling, therefore there is a duty on the Government to incorporate cannabis into the mainstream economy. Constitutional obligation is not dependent upon public approval or disapproval and the government is obligated by the constitutional court ruling to reasonably accommodate cannabis. Government does not have discretion in that regard.

Cannabis needs to be introduced in South Africa at significant scale with a concerted agricultural land use model that focuses on regenerative ecological design that is resistant to external shocks such as climate change and decreasing oil reserves. We are advocating for a rational scientific and agricultural based approach to cannabis legislation to benefit all South Africans by fostering open communication and fact-based discussion where we envisage the cannabis 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.

Based on observing and researching international cannabis legislation trends it’s clear that policy makers and regulators who fail to recognize or fully appreciate the why-and-how’s for establishing the fundamental elements of creating enabling cannabis policy 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.
Legislative Lobby Objectives:

Cannabis globally is in the unprecedented position of being a tremendously useful plant with thousands of uses to meet our needs for food, fuel, fibre, shelter and medicine, that played an important role in early industrialisation that was summarily side-lined from international commodity markets for 80 years.

There is now an increasing resurgence in our modern age with massive opportunities for tax revenue generation, health care and vast industrial applications. Having been left out of decades of potential innovations, never before in the modern world has the prospect arisen where a plant with so many benefits to people & planet been marginalised and then re-welcomed into our pharmacopeia, agro processing and industrial manufacturing.

Cannabis provides unprecedented opportunities 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 creates jobs, stimulates economic growth, generates substantial tax revenue for the fiscus and provides affordable health care solutions for our people.

Our approach to cannabis needs to be driven from an African indigenous 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.

Only once we have completed this introspection and understand what we have can we be in a position to understand where we want to go and how this responds to our international obligations.

The following is a summary of our 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 / 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 Hemp/Cannabis to be classified by end use for commercial purposes. This requires developing an African definition of Industrial Hemp/Cannabis 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, that are naturalised and drought tolerant and currently being grown (illicitly) by
• Small farmers all over the country (as mentioned by the President in his SONA 2020). Allowing them to participate in the rapid industrialisation of cannabis utilising their traditional genetics.

• End use regulation of higher THC cannabis which allows our existing genetics to be grown for industrial purposes and regulated at the point of processing rather than as a crop in the ground. This effectively means that we can utilise our existing genetics and small scale farmers to drive industrial cannabis development starting with what we have.

• Use our existing genetics as the starting point for Research & Development for our industrial cannabis programme rather than importing international genetics. Respecting our heritage and potential existing cannabis resource base.

Cannabis for Medical Purposes:

• Medical Cannabis is the medical use of the cannabis plant to relieve symptoms of, or treat diseases and conditions.

• SA needs to urgently improve access to cannabis pharmaceutical and complementary medicine allowing for a transparent fast tracked process that opens the market for all.

• Ensure access to cannabis for medicine and 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 and 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.

• Shift in the current SAHPRA medical licensing approach which is onerous and focused on export towards developing a local market for medical cannabis. SAHPRA would still control the pharmaceutical condition specific cannabis medicines and the schedules.

• The use of cannabis for health/wellness should be 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.

• Motivation 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.
Responsible Adult Use:

- The South African constitutional court 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 this is a reasonable request to our State and would negate the need to revisit the constitutional court on this matter.

- The constitutional court found the existing criminal cannabis laws to be unconstitutional and should not be regulated by the criminal justice system. The court also ruled on the bare minimum placing the responsibility of developing fair, just and equitable cannabis legislation in the hands of the people’s parliament whose responsibility it is to consider the wider implications.

- 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”.

- 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 so as to not subject the new regulations to equality challenges and to accommodate evidence presented to the Con Court about cannabis being less harmful than the alcohol and tobacco.

- The recreational cannabis market is a massive potential revenue generator for the fiscus, by effectively legalising the current illicit trade in cannabis, the State recognises traditional growers, formalises the market, and allows it to be taxed.

- A legal recreational cannabis market has enormous potential tourism opportunities opening our long established growers in the ‘dagga belt’ to additional tourism income opportunities from visitors wanting to experience traditional growing operations and world famous brands like Durban poison and Transkei gold.

- 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.

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_

- 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, fibre, shelter and medicine in a green sustainable way.

**Proposed Organising Structures for Cannabis in SA:**

Dagga or Cannabis properly regulated, organised and managed so as to benefit the majority of our people will establish new pathways for rural development creating a hugely viable cash crop in the hands of the rural poor, marginalized and dispossessed.

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 that can feed into multiple agro processing opportunities, that in turn will start to regenerate the rural economy providing livelihoods and meaningful work for our people.

It is imperative that the state is central in introducing modelling and controlling cannabis production so as to ensure the benefit is carried to the majority of the rural poor. As a national asset it 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 or a Cannabis State Owned Entity or Cannabis Commodity Association Group that is in line with our developmental state objectives.

Cannabis is a South African natural resource that belongs to all our people and should be managed as such by a capable, modern, efficient and effective SOE that demonstrates a new model of a social compact and reverses the negative perception of state controlled industry.

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 hubs that support regional integrated development plans. There is a lot of work that needs to be done to unpack these value chains that requires the development of industry specific business plans that need resources to be properly researched and developed.
Due to cannabis having been excluded from the formal economy for so long, it is a potential brand new sunshine industry, new technologies need to be developed for efficient modern processing. Existing technologies lying dormant in the country need to be exploited in the short term to rapidly unroll simple industries that can immediately add value to regional economies and the fiscus.

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. The desk will design and implement an industrial hemp roll out strategy to capacitate at least 100,000 small scale farmers and establish cannabis cooperatives that would grade and purchase cannabis for processing and extraction, focused on;

1. Developing food grade products (edible oil, hemp hearts, hemp protein powder) from the seed
2. Develop a seed oil to bio-diesel programme enabling SA to become the first green oil production country in the world benefitting from carbon taxes.
3. Processing bast fibre and hurd for use in the building sector for housing, board and insulation
4. Extraction of cannabinoids for medical & health purposes for export and to be a disruptor in the global cannabis market providing cheap affordable cannabis based medicines for all our people
5. Establishment of provincial training centres or colleges to provide models of best practice incorporating food & water security, skills training and demonstrate effective land use management. This could form part of the many programs being enabled by the government to deal with youth unemployment.

The cannabis desk in the Presidency will represent an implementation think tank of industry specialists 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.

This discussion document developed for the Afristar Cannabis Lobby Group and Cannabis Industry Development Cooperative, Western Cape by Garreth Prince and Nicholas Heinamann.

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