

# Briefing to Portfolio Committee on Justice and Correctional Services on Cannabis for Private Purpose Bill

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**the dtic**

Department  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

**the dtic - together, growing the economy**

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# List of delegates

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## PRESENTATION OUTLINE

- Introduction & Background
- Licensing and Permits for medicinal use
- Cannabis Masterplan
- Strategic Interventions and role of **thedtic**
- Way Forward

# BACKGROUND/CONTEXT

Cabinet took a decision in July 2019 that our country needs a national strategy to commercialise Cannabis in order to increase economic growth, create jobs and for poverty alleviation. The development of this Cannabis Masterplan is underpinned by the Re-imagined Industrial Strategy which is operationalised through the application of a master-planning process that seeks to create a shared vision and secure reciprocal action-oriented commitments between industry, government and labour for the long term sustainability and growth of the national priority sectors.

Thus, the development of the master plan will follow an integrated approach with various affected departments assigned different pillars to lead. The scope of the master plan includes both hemp and dagga. DALRRD is the convener of this process in line with Cabinet decision.

- Supported by the NDoH, SAHPRA, the dtic, IDC, DSBD, SEDA, SEFA, DSI, TIA etc.

## **Role of the dtic:**

- to develop the commercialization policy to leverage on opportunities arising from industrialization of cannabis and hemp in the areas of CTLF, Agroprocessing, Pharmaceuticals and Cosmetics
- to develop an enabling policy, legal and regulatory environment for the inclusive participation of previously disadvantaged community enterprises
- Within legal frameworks - develop market and incentives to assist companies industrialise/commercialise products from cannabis and hemp

\* The commercialization of cannabis for recreational use does not fall within the ambit of the ICG Division within the dtic.

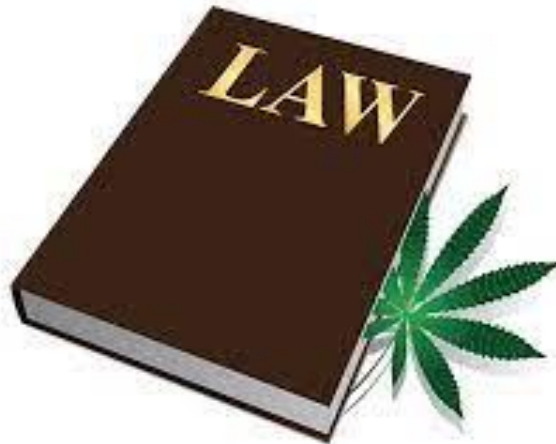
# INTRODUCTION

- Cannabis is still a prohibited drug in terms of the Drugs and Drug Trafficking Act until the possession and use by an adult person in private/industrialisation is permitted by law
- The Schedules to the Drugs and Drug Trafficking Act is currently not in alignment with the Schedules to the Medicines Act
- Justice to expedite the removal of low THC cannabis (hemp) as a banned substance under Drugs Act Schedules; and finalise the Cannabis Bill for compliance with the Concourt Judgement



# LICENSING AND PERMITS FOR MEDICAL USE

- Cultivation, manufacture, distribution, import and export of THC-containing medicines or CBD containing products would require a licence issued by SAHPRA :Sec 22C of the Medicines Act.
- In addition to a licence, manufacture, import and export of THC-containing products for medical use require a permit issued by the Director-General of Health, in terms of section 22A(9) of the Medicines Act.



# CANNABIS MASTERPLAN

- Health has handed over the control of the cultivation of low-THC cannabis to DALRRD
  - All matters related to the cultivation of low-THC cannabis will fall under the mandate of DALRRD, except when the cultivation of low-THC cannabis is intended for medicinal use.
  - DALRRD also coordinates the establishment of the cannabis industry via the development of the National Cannabis Master Plan following the Cabinet decision of 2019.
  - The Master Plan prioritizes the 4 sectors ie. Medicinal, Cosmetics, Food & Beverages and Textiles
  - **the dtic** forms part of the intergovernmental committee that is developing the master plan.
- the dtic** leads the Manufacturing Pillar of the Cannabis Master Plan



# Industrialization: Establishment of Masterplan

The Master Plan is led by DALRRD and aimed at providing a framework for the establishment, growth and development of the Cannabis industry in South Africa in order to contribute to economic growth, poverty alleviation and job creation

## OBJECTIVES

- Increase the volumes and variety of Cannabis products destined for both local and export markets.
- Establish and increase the capacity of South African farmers to produce dagga and hemp
- Create opportunities for creation of small and medium size enterprises across the Cannabis value chain.
- Replace imported Cannabis products with locally produced products.
- Increase investments in research and technology development to support increased production, productivity and competitiveness of the Cannabis industry.
- Establish and increase the manufacturing capacity of the South African Cannabis industry.
- Development and maintenance of an effective regulatory system by strengthening law enforcement measures to deter the production, manufacturing and sale of Cannabis outside the legal framework.

**1. EFFECTIVE  
REGULATORY  
SYSTEMS**

**2. SUSTAINABLE  
SEED SUPPLY  
SYSTEMS**

**3. RESEARCH  
AND  
TECHNOLOGY  
DEVELOPMENT**

**4. SUSTAINABLE  
PRODUCER  
SUPPORT SYSTEMS**

**5. MARKET  
DEVELOPMENT**

**6. SUPPLIER  
DEVELOPMENT  
SYSTEMS**

**7.  
MANUFACTURING  
AND PRODUCT  
DEVELOPMENT**

**8. EDUCATION, COMMUNICATION AND CAPACITY DEVELOPMENT**



# Focus for the Manufacturing Support

## 1. LIGHT CONSUMER GOODS

- (a) Food and Beverages/ agro-processing**
- (b) Pharmaceuticals and nutraceuticals**
- (c) Beauty and personal care products**
- (d) Plastic and plastic products**
- (e) Certain Pulp and paper products (e.g toilet paper)**
- (f) Clothing and textile**

## 2. REVITALIZE INDUSTRIAL PRODUCTION

- (a) Basic iron and steel**
- (b) Petroleum and chemical products**
- (c) Furniture & general use products**
- (d) Pulp and paper products**

## 3. HIGH-TECH MANUFACTURING

- (a) Electrical machinery**
- (b) Green and digital technologies**  
(dependent on strong and fast R&D output)
- (c) Components manufacturing;**
- (d) Construction equipment manufacturing**

# The **MANY** **USES** of **Hemp**

*Hemp is the strongest natural fibre in the world, known to have over 50,000 different uses!*

## TEXTILES

- Clothing
- Diapers
- Handbags
- Denim
- Shoes
- Fine fabrics

## PAPER

- Printing
- Newsprint
- Cardboard
- Packaging

## INDUSTRIAL TEXTILES

- Rope
- Canvas
- Tarps
- Carpeting
- Netting
- Caulking
- Moulded parts

## BUILDING MATERIALS

- Fibreboard
- Insulation
- Acrylics
- Fibreglass substitute

## INDUSTRIAL PRODUCTS

- Oil paints
- Varnishes
- Printing inks
- Fuel
- Solvents
- Coatings

## FOODS

- Hemp Seed Hearts
- Hemp Seed Oil
- Hemp Protein Powder
- EFA Food Supplements

## BODY CARE

- Soaps
- Shampoos
- Lotions
- Balms
- Cosmetics

## Seeds

## Stalk

## Leaves

## Roots

- Organic compost and nutrients
- Remedy for conditions such as arthritis or joint pain, fibromyalgia, and eczema.

- Very absorbant and good for animal bedding
- Mulch and compost

## THE BENEFITS OF CULTIVATING HEMP

Hemp can yield 3-8 dry tons of fibre per acre. That's four times what an average forest can yield. Hemp cultivation requires no chemicals, pesticides or herbicides.

## 4 STRATEGIC INTERVENTION MEASURES AND THE ROLE OF THE DTIC

PILLAR	INTERVENTIONS	OUTPUTS	TIME FRAMES	RESPONSIBLE DEPARTMENT/ ORGANISATION
1. Effective Regulatory Systems	Development of a new policy and legislation for commercialisation of Cannabis	Policy and legislation on Cannabis	2021/ 2022	Department of Trade, Industry and Competition
	Creation of enabling policy, legal, and regulatory environment for the inclusive economic participation of the previously disadvantaged community enterprises	Policy on increasing inclusivity and broad participation.	2021/ 2022	DSBD and DTIC

PILLAR	INTERVENTIONS	OUTPUTS	TIME FRAMES	RESPONSIBLE DEPARTMENT/ ORGANISATION
2. Market Development	Facilitate the development of domestic market for Cannabis products	Report on available domestic markets	2021/ 2022	Trade, Industry and Competition
	Facilitate and co-ordinate the opening of export markets for South African Cannabis products	Report on available export markets	2022/ 2023	Trade, Industry and Competition
	Facilitate public and private sector procurement of Cannabis products from resource poor farmers and manufacturers.	Procurement programmes	2021/ 2022	Trade, Industry and Competition
	Facilitate the development of appropriate market support infrastructure like processing plants and storage facilities.	Reports on available market infrastructure in various provinces	2022/ 2023	Trade, Industry and Competition (DSBD to support through SEDA)
	Development and implementation of user-friendly market information systems for Cannabis products.	Operational market information systems	2022/ 2023	Trade, Industry and Competition
	Provision of market information to all farmers and manufacturers.	Market information	2022/ 2023	Trade, Industry and Competition
	Development and implementation of incentive programmes to support the participation of resource poor suppliers in the local and export markets for Cannabis products Reconfigure the dtic's incentive to speak to a broader policy of legalization and industrialization of cannabis	Incentive programmes for Cannabis industry	2022/ 2023	Trade, Industry and Competition(DSBD to support through Cannabis Support Plan)
	Facilitate the development of appropriate cannabis accreditation	National accreditation system for Cannabis	2022 / 2023	DTIC /SABS, SANAS, NRCS

PILLAR	INTERVENTIONS	OUTPUTS	TIME FRAMES	RESPONSIBLE DEPARTMENT/ ORGANISATION
3. Enterprise and Supplier Development	Development of special incubation programmes for new suppliers	Incubation programmes for new suppliers	2022/ 2023	DSBD with Trade, Industry and Competition
	Facilitating and supporting signing of off-take agreements between growers of Cannabis and the manufacturers.	Report on off-take agreements facilitated.	2021/ 2022	Trade, Industry and Competition
	Facilitating and supporting the development and signing of off-take agreements between manufacturers and retailers of Cannabis products.	Report on off-take agreements facilitated.	2021/ 2022	Trade, Industry and Competition
	Providing advisory services to new and emerging suppliers in the Cannabis industry.	Advisory services	2021/ 2022	Trade, Industry and Competition

PILLAR	INTERVENTIONS	OUTPUTS	TIME FRAMES	RESPONSIBLE DEPARTMENT/ ORGANISATION
4. Manufacturing and Product Development	Facilitate and co-ordinate investments in establishment of manufacturing plants that will be used for producing food, medicine, beverages and a whole of other value added products from raw material of both hemp and dagga.	Report on investments done in manufacturing facilities for Cannabis	2022/ 2023	Department of Trade, Industry and Competition
	Development and implementation of incentive programmes for development of new products from dagga and hemp.	Incentive programmes	2022/ 2023	Department of Trade, industry and Competition with Department of Small Business Development

# WAY FORWARD

Matter	Activity and Responsibility
Hemp	<ul style="list-style-type: none"><li>• Justice to resolve legislation</li></ul>
Licensing	<ul style="list-style-type: none"><li>• Accessible means for issuing of licenses for medical purpose under quality and safe conditions by SHAPRA</li><li>• Justice to resolve legislation for non-medical access to cannabis</li></ul>
Ongoing Research and Development including standards	<ul style="list-style-type: none"><li>• Ongoing research to inform the industrialization of Cannabis Industry led by DALRRD &amp; DTIC</li></ul>