



Cannabis and Hemp Industry

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1. Introduction



The cannabis industry has seen a massive expansion in recent times as more countries embark on legalising the plant and its related products. Globally, the attitude towards cannabis and the legislation pertaining to this versatile plant is changing for the better, which is positioning the industry as an exciting one for future growth and development. According to a report by Grand View Research (2020), the global cannabis industry is expected to reach \$73.6 billion by 2027 due to the increasing legalisation of cannabis for both medical and recreational use. The global industry is also expected to grow at a CAGR of 18.1% during the forecast period.

The argument for the legalisation of cannabis for medical use revolves around the fact that the cannabis plant contains chemicals, specifically cannabinoids, which may be helpful in treating certain illnesses and symptoms. The campaign to legalise and decriminalise cannabis for both medical and recreational use in South Africa has been a long-running one. The decriminalisation of cannabis can help to raise additional government revenue through taxes from the sale of the product. It can also help to reduce the costs associated with police resources needed to enforce the law on the prohibition of cannabis. Moreover, the cultivation of cannabis and hemp requires low levels of mechanisation, which means that small-scale farmers will be able to benefit.

In 2018, the Constitutional Court confirmed the High Court's ruling that, on the basis of the right to privacy, an adult person can use or cultivate or possess cannabis in private for personal consumption. This decision has made South Africa the first and, currently, the only country in Africa to make provision for the use of cannabis for recreational purposes. South Africa is one of a few African countries that permit the cultivation of medical cannabis. The other countries are Lesotho (medical use only), Zimbabwe (medical use and research purposes) Zambia (cannabis exports), and Malawi (growing, selling and exporting of cannabis). The Constitutional Court gave Parliament 24 months from the date of the judgment to make the necessary provisions in the legislation to reflect its ruling.

If South Africa is able to resolve all issues relating to legalisation and regulation of the cannabis industry, the country will be able to effectively compete with other attractive cannabis investment destinations like Canada, California and Colorado in the US, and Australia. A recent report by Prohibition Partners estimated that South Africa's cannabis industry could be worth over \$23 billion by 2023. South Africa and, particularly, the Western Cape can seize the opportunity to cater for a sizeable portion of the ever-growing international cannabis market by promptly putting in place the relevant regulatory framework. Given its vibrant agriculture sector, the Western Cape can position itself as South Africa's main hub for cannabis and hemp production. The province has the farming expertise and the infrastructure to spearhead the cannabis industry boom and become a cultivation and production hub.

2. Difference between cannabis and hemp

Although both cannabis and hemp are derived from the *cannabis sativa* L. plant, they have distinct compositions and uses. *Cannabis sativa* L is a herbaceous plant which belongs to the family of Cannabaceae. Oil, seeds, and fibre are the products of this plant, making it suitable for medicine and textile production. Industrial hemp has less than 1% Tetrahydrocannabinol (THC) while that of cannabis (*dagga*) ranges between 5 to 25%. In other words, cannabis is high in the psychoactive compound of cannabinoid whereas hemp is cannabidiol (CBD) dominant.

2.1 Cannabis

Cannabis consists of the dried leaves, flowers, stems, and seeds from the *cannabis sativa* L. plant. It is not suitable for fibre production because of its low fibre content. The cannabis plant contains more than 100 cannabinoids¹ (NIDA, 2019). The two main cannabinoids that are of medical interest are CBD and THC. THC is the principal psychoactive component of cannabis, which gives it the 'high' effect. On the other hand, CBD does not produce a 'high' effect, and as such is not popular for recreational use. Although THC and CBD are the most studied components of cannabis, they are not the only compounds found in the plant. Other components of the cannabis plant include tetrahydrocannabivarin (THCV), cannabidivarin (CBDV), terpenes, and flavonoids.

2.1.1 Medical cannabis

Medical cannabis entails the use of cannabis as a health practitioner's recommended therapy for the treatment of certain conditions and symptoms. It involves using the whole, unprocessed cannabis plant or its basic extracts to treat symptoms of illness and other health conditions (NIDA, 2019). For instance, in the United States of America, a CBD-based liquid medication called Epidiolex has been approved by the Food and Drug Administration (FDA) for the treatment of two types of severe childhood epilepsy, Dravet syndrome and Lennox-Gastaut syndrome. Moreover, two THC-containing drugs, dronabinol and nabilone, have been approved by the FDA, and are used for treating nausea resulting from chemotherapy and improving appetite for patients with extreme weight loss caused by AIDS. Further, nabiximols (Sativex®), a mouth spray which contains CBD and THC, has been approved in Canada, the United Kingdom, and several European countries for the treatment of muscle control problems associated with multiple sclerosis.

2.1.2 Recreational cannabis

Recreational cannabis refers to the intentional use of cannabis for its intoxicating and mind-altering effects. Recreational cannabis is used without medical justification, and it typically has more THC content than its medical counterpart. Also, cannabis that is used for recreational purposes usually contains less CBD than the medical variety.

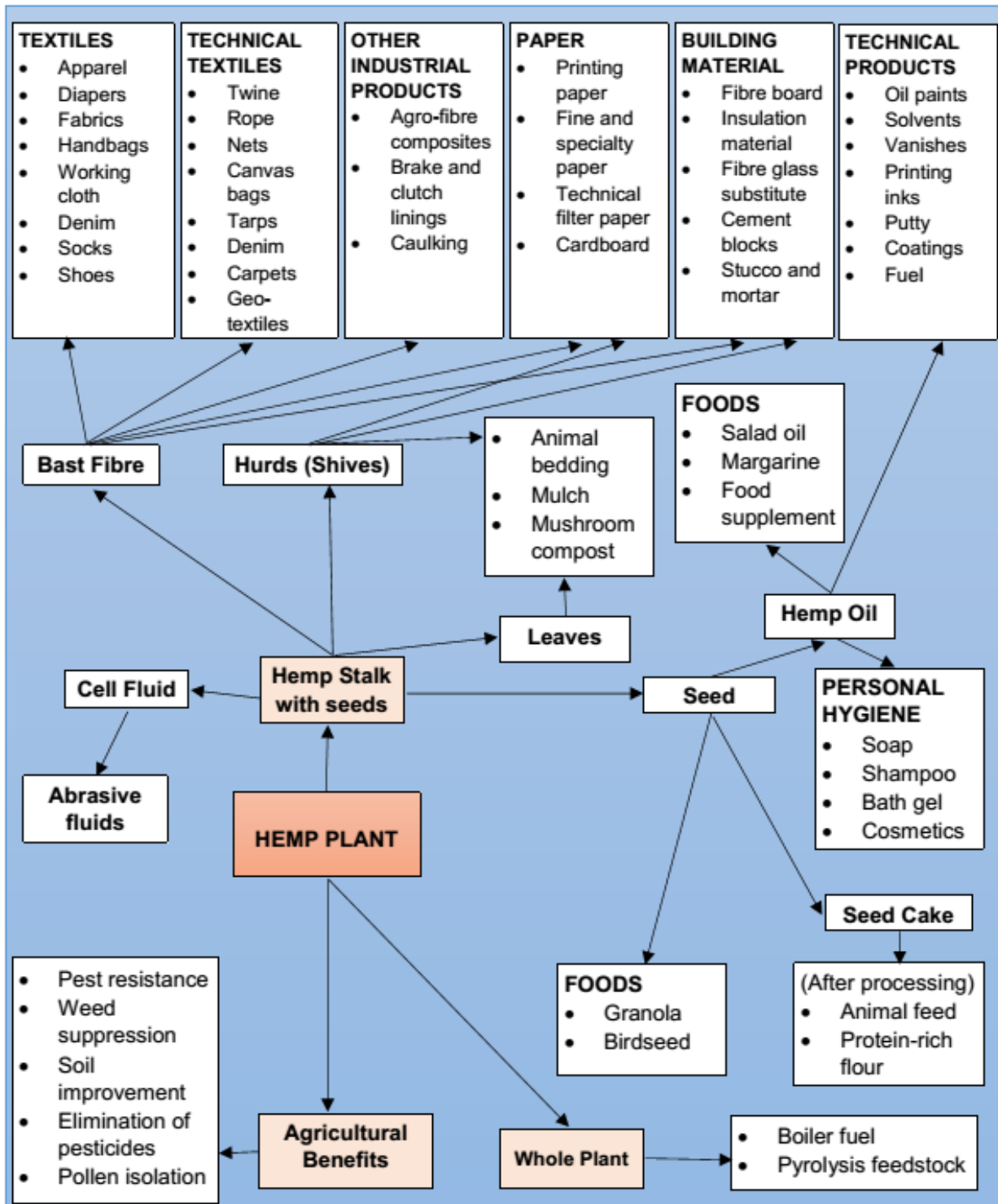
2.2 Hemp

Hemp, which is a strain of the *Cannabis sativa* L. plant, is regarded as an annual herbaceous plant that can grow up to nine metres in height (ARC, 2014). It is an industrial crop used for a wide variety of purposes. Hemp is cultivated for its fibre, edible seeds, edible oil, lubricant, and for use as a fuel. A permit is required to plant hemp in South Africa. Unlike cannabis, hemp has a very low THC content, and is therefore mainly cultivated for fibre and oil production making it ideal for the production of long fibres for textiles, while its seeds are used to produce oil.

Industrial hemp has been legalised in close to 40 countries in the world, including Canada, the United Kingdom, Hungary, Germany, and China. The global hemp market consists of several sectors and submarkets such as agriculture, automotive, textiles, paper, food, furniture, and construction materials. Over 25 000 consumer products, including rope, cloth, biodegradable plastics, shoes, paints, fibreboard, cosmetics, paper, and cellophane, are made from hemp (ARC, 2014). Some of the sectors that have been identified as pivotal to the hemp industry in South Africa are eco-friendly paper; agri-fibres for car parts; animal bedding; and natural cement.

¹ Cannabinoids refer to a group of naturally occurring compounds extracted and isolated from *cannabis sativa* L.

Figure 1: Hemp value chain



Source: Roulac (1997)

3. The South African cannabis and hemp industry

The publication of Government Notices R755 and R756 in May 2019 represented a major milestone for the cannabis industry in South Africa. Prior to this announcement, CBD, which is one of the naturally occurring non-psychoactive cannabinoids presents in the cannabis plant, was regarded as a high-schedule drug. The notice contained the lowering of the Schedule of all cannabisdiol-containing products from Schedule 7 to 4. Medicine and substances that are classified as Schedule 4 are obtainable upon a prescription by a doctor. The reassigning of CBD from Schedule 7 to

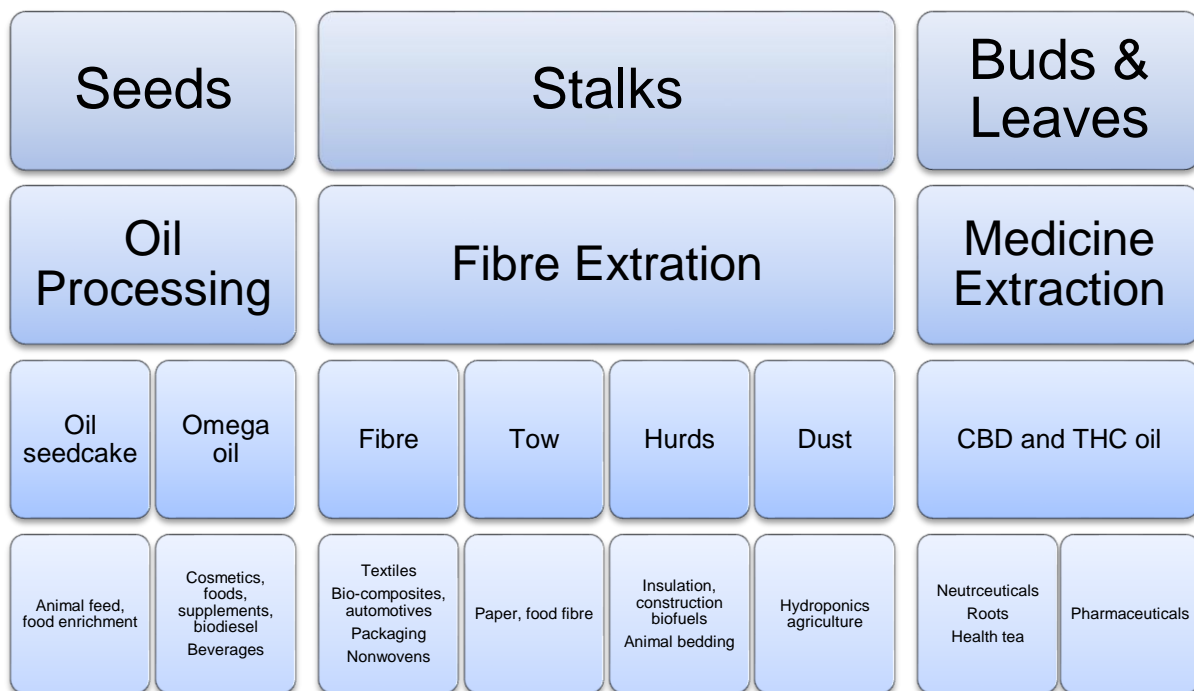
Schedule 4 of the Medicines Act means that cannabis-containing products have now moved from being highly regulated to products that can be acquired with a prescription.

Furthermore, substances that contain doses of less than 20mg of CBD per day, as well as processed cannabis-related products that contain not more than 0.001% of THC and not exceeding 0.0075% total CBD, were entirely excluded from Schedule 4. This means that individuals can now buy and sell CBD products without a doctor’s prescription provided such produce meet the terms specified above.

Potential growers and producers in South Africa can only cultivate, produce, and manufacture cannabis and medicinal cannabis products after obtaining a licence from the South African Health Products Regulatory Authority (SAHPRA) and a permit from the Department of Health. SAHPRA will issue the licence after taking the necessary steps to inspect the proposed facility and doing some quality control checks. These stringent measures have been put in place to ensure the safe usage of medical cannabis.

Hemp farmers in South Africa import seeds Spain, Czech Republic, France, and the United States of America. Farmers are required to obtain permits from the Department of Agriculture, Forestry and Fisheries (DAFF) to allow them to plant the certified seeds in the country.

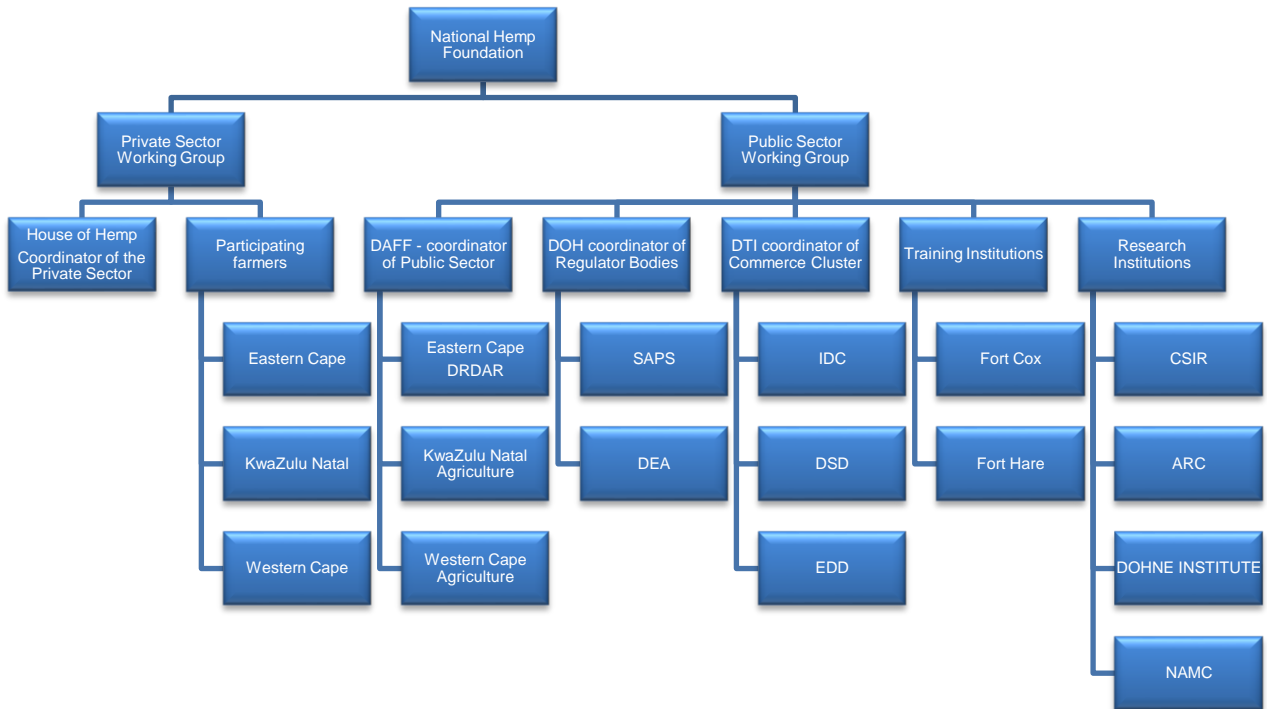
Figure 2: South Africa’s potential cannabis industry



Source: CDCSA

The National Hemp Foundation, which consists of relevant stakeholders in the industry, was set up in 1999 by the Minister of Agriculture Forestry and Fisheries. Figure 2 highlights the structure of South Africa’s National Hemp Foundation.

Figure 3: National Hemp Foundation



Source: House of Hemp (2020)

4. International comparison

A number of countries, including Canada and Australia, have legalised hemp production. In countries such as China, Hungary and Russia, hemp production was never prohibited.

4.1 Canada

Canada has more experience in growing and processing hemp, and has established itself as a world leader in the industry. The commercial production of hemp has been allowed in Canada since 1998. A licence should be obtained from Health Canada in order to possess, cultivate, sell, process, produce, export, and import industrial hemp. As at 2019, there were a total of 866 active licences, 731 of which were for cultivation (Health Canada, 2019). Growers are required to purchase government certified seeds every year and report the GPS coordinates of all fields in which hemp will be cultivated. Canada has about a dozen hemp processing companies. In an attempt to make Canadian hemp products more competitive and attractive, the federal government, in 2018, announced a \$330 550 CAD worth of investment for the Canadian Hemp Trade Alliance (CHTA) to develop industry-wide grading standards. The country exports most of its hemp seed to the United States. A permit is required to transport hemp across the country's international borders.

In 2018, an amendment was made to relax the regulatory controls and expand the plant's legal uses beyond fibre and seed. The 2018 Cannabis Act legalised the recreational use of cannabis and expanded the value chain, making it possible for permitted growers to make additional revenue from the sale of the plant's flower, leaves, and branches. Canadian residents who are 18 years or older are permitted to possess up to 30 grams of dried or non-dried cannabis in public and can grow up to four marijuana plants at home using certified seedlings. In Canada, cannabis-containing products are accessible via three approved channels:

- *Medical use*: with a medical document and the support of their health care practitioner, individuals would be able to buy CBD-containing products from licensed sellers;
- *Prescription drugs*: CBD-containing prescription drugs that have been approved by the health authorities can be purchased by individuals with a doctor's prescription;

- *Retail or online cannabis outlets:* products that contain CBD can be purchased from a provincially authorised retailer.

4.2 Australia

The cultivation of hemp was banned in 1937 and was prohibited from either being added to food or sold as food. The Australia Federal Government, however, approved the legalisation of hemp-based foodstuffs for human consumption in 2017. Industrial hemp with a low THC may be grown in Australia subject to obtaining a state-issue licence. Cannabis is classified under the Drugs, Poison and Controlled Substances Act 1981, which means that it is subject to strict monitoring protocols. Growers must agree to an inspection and monitoring programme by State Government inspectors, and the State Government must also approve the growing location.

Furthermore, the country legalised cannabis for medical use in 2016. It is anticipated that Australia's medicinal cannabis market will be worth \$1.5 billion in 2025. The legal cannabis market in Australia was valued at USD 171.7 million in 2019 and is projected to grow at a CAGR of 42.1% from 2020 to 2026 (Grand View Research, 2020). The high growth rate for the cannabis industry is supported by factors such as the increasing legalisation of cannabis for adult use and the high consumption rate in the country. The law governing cannabis varies from state to state. For instance, the cultivation, possession and use of cannabis for recreational purposes is legal in the Australian Capital Territory. In 2019, Canberra became the first city in Australia to legalise possession and cultivation of cannabis for adult use.

4.3 United States

At the federal level, cannabis has been prohibited since the signing into law of the Controlled Substances Act in 1970, which classifies cannabis as a Schedule I controlled substance. However, a majority of US states have enacted their own laws to legalise cannabis for medical and recreational uses. About 33 states have legalised cannabis for medical purposes, and in some of these states recreational use is allowed. Currently, it is legal to sell and use cannabis in California, Massachusetts, Illinois, Washington State, Colorado, Michigan, Vermont, Oregon, Maine, Alaska, and Nevada. In 2019, the US cannabis industry was estimated at \$13.6 billion (Investopedia, 2020).

Commercial hemp production was legalised in 2018. Since the lifting of the federal hemp prohibition, the United States' hemp production has expanded rapidly. Hemp growers in the U.S. are required to obtain a permit from the Drug Enforcement Agency (DEA) to produce industrial hemp.

5. Production requirements

Available evidence suggests that the agronomic and climate conditions in South Africa, particularly, the Eastern Cape, KwaZulu-Natal, and the Western Cape provinces, are conducive for the cultivation of hemp.

5.1 Soil type

The hemp plant requires a sufficiently deep and well-aerated soil with regular water supply. However, with its deep rooting, the plant is able to source nutrients from deep in the soil, which could potentially make the plant drought tolerant. This plant grows best on well-drained loam soil with good water holding capacity, abundant organic matter and a pH of between 6 and 7.5.

5.2 Climate

The hemp and cannabis plants will thrive in South Africa's climate, especially the Western Cape. It requires an annual rainfall or irrigation of at least 500 to 700 mm to grow, and 250 to 300 mm of moisture is needed during the vegetative growing stage for optimum yield. The plant thrives in a mild,

temperate climate, and it grows best when there is enough supply of moisture throughout its growing season, especially during the early stages of growth. The Western Cape is a suitable place for the cultivation of hemp given the province's lengthy hours of daylight during the summer season. This is because the plant requires a day length of between 14 and 16 hours. The ideal period for planting hemp in the Western Cape is between October and November. The plant can be harvested 120 days after planting.

5.3 Outdoor vs. indoor cultivation

Cannabis can either be grown outdoors or indoors, and the choice of cultivation system can have significant implications for the final yields. For outside cultivation, geographical location and local climate conditions play a huge role on the planting time. On the contrary, indoor cultivation is not reliant on local climate conditions. Indoor-grown cannabis plants can have their heat, light, water, and airflow altered to simulate ideal growing conditions.

5.3.1 Outdoor growing of cannabis

Soil growing could be a desirable option for many farmers because it is less time consuming and less technical compared to constructing indoor infrastructure. A good soil system will also require less nutrients to be added, and would thus be more cost effective. However, cannabis that are grown outdoors are prone to damage from weather conditions like rain and wind. The active ingredients in cannabis, such as THC and terpenes, can be degraded by rain and wind. The potential weather damage can be alleviated by using windbreaks to protect the plants and by covering the plants during heavy rain.

5.3.2 Indoor growing of cannabis

Indoor growing is typically associated with higher bud yield for cannabis, and may be preferred due to its controlled nature.

Hydroponics: Hemp can be farmed hydroponically using only water and essential nutrients. Hydroponics entails the growing of plants with their roots immersed in a liquid solution, which has nutrients added to it. This system makes it possible for cultivators to increase the rate of growth and eventually their yields. Generally, a hydroponic system enables bigger plants to grow relatively faster. In this system, the farmer must constantly monitor water temperatures, nutrient levels and pH for optimal growth. Hydroponic systems can be employed in cannabis and hemp cultivation. The benefit of this system over soil is that the roots of the plants get the required nutrients directly from the liquid solution. The plant is able to grow larger and produce a higher yield because it saves energy from not having to grow a root system. However, hydroponics is an advanced technique, which requires the pH levels, water temperature, and nutrient concentrations to be checked and adjusted frequently.

Coco coir: Coco coir is another indoor growing method, which uses coconut shells to hold the roots. Just like hydroponics, the coconut shell system requires additional nutrients and water daily. Coco coir lies between soil growing and hydroponics, which means that it generates a higher growth and yield than soil but it is a less challenging technique compared to hydroponics.

Greenhouse: Greenhouses are structures with transparent walls and artificially controlled heating systems. With this system, cannabis and hemp plants are able to grow well under ideal conditions. Greenhouses can be adopted to provide a more protected environment for soil-grown cannabis plants.

6. Uses of hemp and cannabis

Uses of hemp	Uses of cannabis
<ul style="list-style-type: none">• Clothing and textiles• Paper• Plastic and composite materials• Building materials• Cosmetics• Cordage• Food	<ul style="list-style-type: none">• Recreational drug• Assists in fighting certain diseases (anorexia, Alzheimer's, cancer, diabetes, etc.)• Used for spiritual purposes

Source: Dawson (2020)

6.1 Medicinal benefits

The flowers of *cannabis sativa* L. contain psychoactive chemical compounds that are used for medical purposes. Research regarding the possible uses of CBD, THC, and other cannabinoids for medical treatment continues to evolve. Recent animal studies have shown that cannabis extracts may assist in killing cancer cells and decrease the size of others. Available evidence suggests that CBD and THC can slow the growth of high-grade glioma cancer cells, one of the most serious types of brain tumours. Moreover, it has been found that using purified extracts of both THC and CBD with radiation increases the cancer-killing effects of the radiation (Scott, Dalgleish, and Liu, 2014). Furthermore, cannabis and its extracts have been used in conducting preclinical and clinical trials pertaining to the treatments of certain symptoms of illness and other health conditions, such as inflammation, pain, seizures, substance use disorders, mental disorders, and diseases that affect the immune system (including HIV/AIDS and multiple sclerosis). It is believed that THC can reduce nausea, increase appetite, decrease pain and inflammation, and alleviate muscle control problems whereas CBD can help to reduce pain and inflammation, and control epileptic seizures (NIDA, 2019). Some studies have shown that the linoleic acid available in hemp oil could assist in fighting psoriasis.

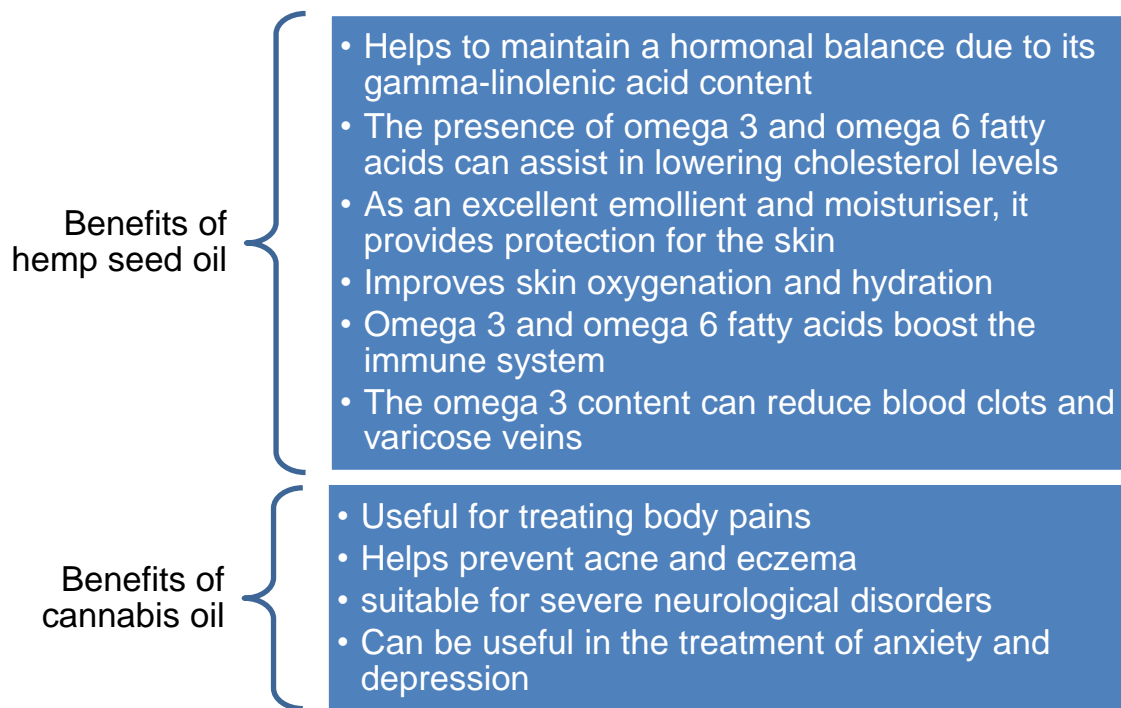
6.2 Agricultural benefits

It is easy to grow hemp organically with less pesticides used since the plant grows quickly and attracts few pests. Industrial hemp suppresses weeds and decreases outbreaks of insect and disease problems, which makes it an excellent rotation crop for traditional crops. Also, it is suitable for crop rotation because of its short harvest cycle. As a rotational crop, hemp can be grown with grain crops such as wheat and beans to prevent pathogen and disease build-up. Through its extensive root system, hemp may also rebuild and condition soils by replacing organic matter and providing aeration. Being a high-production crop, hemp yields more oil than peanuts and about four times more paper pulp than trees per hectare.

6.3 Other benefits

Cannabis sativa's seeds are used to produce hemp seed oil, which is utilised for cooking and the manufacturing of paints. The seeds are also used as bird feed. Moreover, hemp seeds contain essential amino and fatty acids, and are a rich source of protein, omega 6, omega 3, and polyunsaturated fatty acid. Hemp seeds are a good source of tocopherols, and contain minerals such as iron, potassium, zinc, magnesium, phosphorus, and calcium. Microelements such as thorium, strontium, chromium, and arsenic can also be found in hemp seeds. Hemp oil can help to improve immunity, enhance cardiovascular health, and counteract aging processes while the benefits of cannabis oil include restoring appetite, improving sleep quality, and curing Crohn's disease and epilepsy. Hemp

seed oil also contains a unique protein known as globule edestins, which is akin to the globulin in human blood plasma.

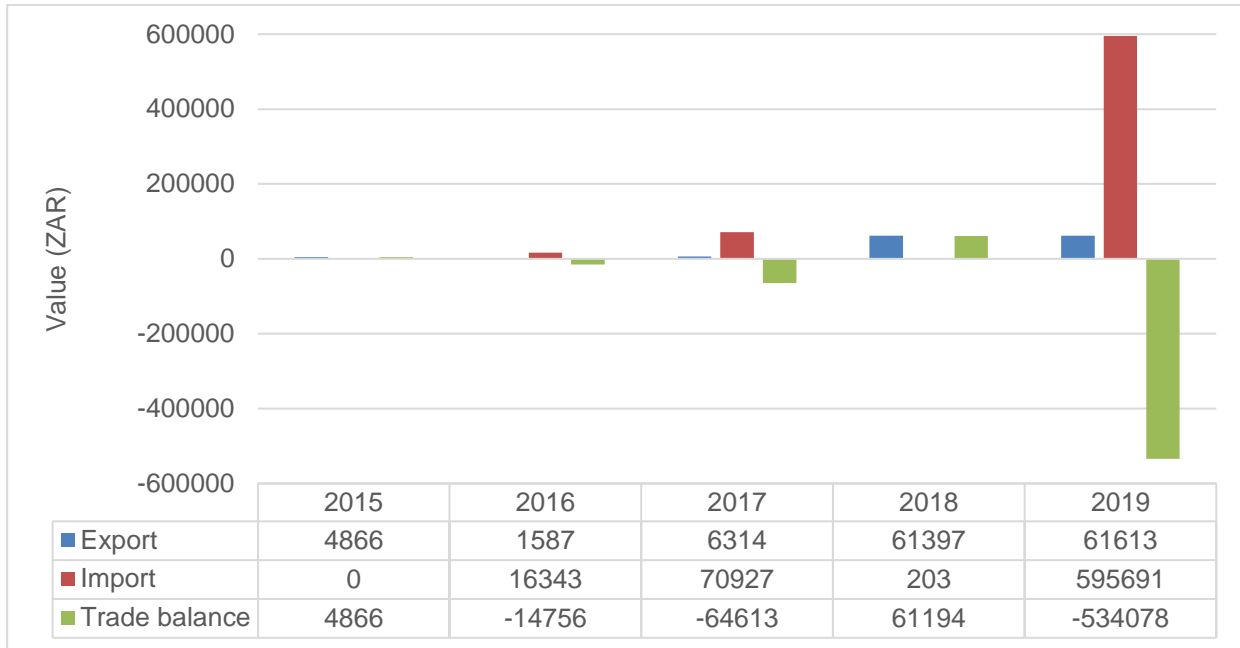


Source: Formula Swiss (2019)

7. Trade

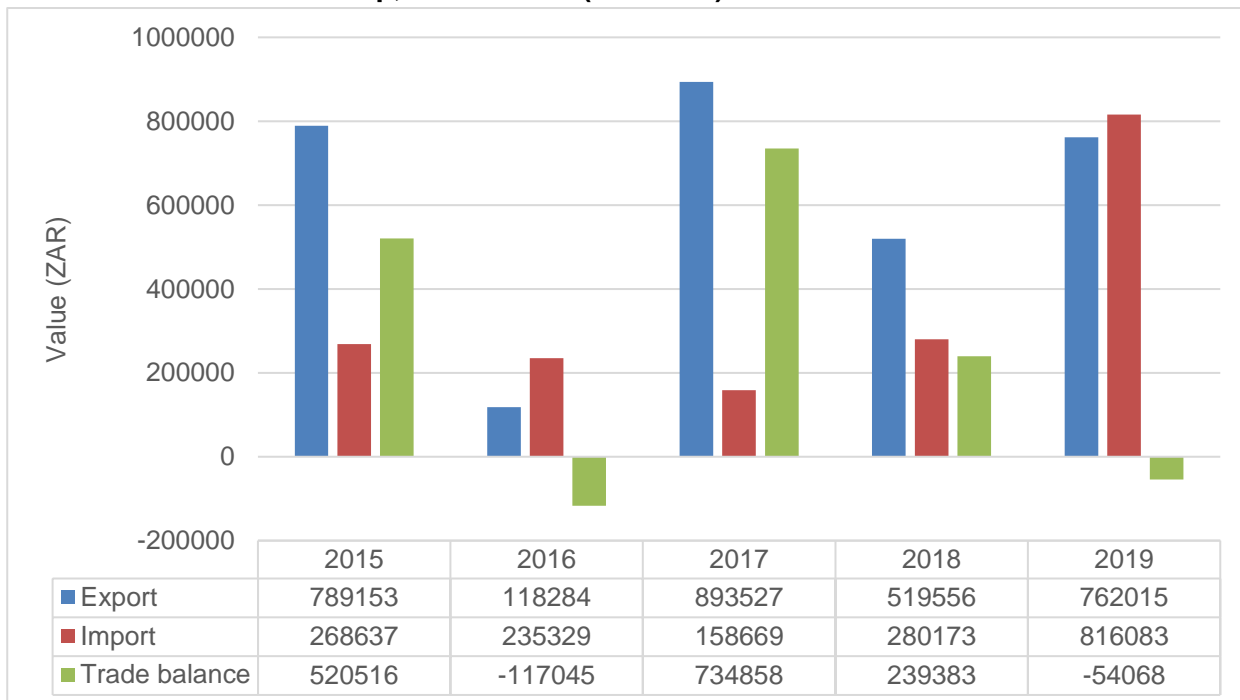
Given that the hemp industry in the Western Cape is a relatively small, trade activities within the industry have understandably remained scanty over the past couple of years. There was, however, a major jump in imports in 2019 as shown in Figure 4. Just like the Western Cape, the trade volumes for the entire country remain limited. With the exception of 2016 and 2019, South Africa maintained a positive trade balance over the 2015-2019 period as Figure 5 indicates.

Figure 4: Western Cape's true hemp "Cannabis sativa L.", raw or processed, but not spun; tow and waste of true hemp, 2015 – 2019 (HST5302)



Source: Quantec (2020)

Figure 5: South Africa's true hemp "Cannabis sativa L.", raw or processed, but not spun; tow and waste of true hemp, 2015 – 2019 (HST5302)



Source: Quantec (2020)

Table 1 shows the leading exporters of hemp fibre between 2015 and 2019. The top three exporting countries in 2019 were the Netherlands (with a share of 30.9%), Switzerland (with a share of 23.5%), and Croatia (with a share of 10.5%). In 2019, South Africa has a share of 0.2% of global hemp fibre exports, and was ranked 19th.

Table 1: Leading exporters of true hemp "Cannabis sativa L.", raw or processed, but not spun; tow and waste of true hemp, 2015 – 2019 (HST5302)

	Value (R'000)					Share (%)				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Netherlands	7483	103776	71389	92914	107340	14,7	66,9	37,9	35,9	30,9
Switzerland	38	103	3246	14588	81547	0,1	0,1	1,7	5,6	23,5
Croatia	0	1392	7663	35759	36299	0,0	0,9	4,1	13,8	10,5
Luxembourg	0	0	253	14101	20567	0,0	0,0	0,1	5,5	5,9
Spain	101	1451	1530	3555	15256	0,2	0,9	0,8	1,4	4,4
Romania	266	2916	15645	40815	14664	0,5	1,9	8,3	15,8	4,2
Bulgaria	0	0	0	4516	14231	0,0	0,0	0,0	1,7	4,1
Lithuania	0	0	3286	7162	8097	0,0	0,0	1,7	2,8	2,3
Italy	3932	1744	2155	1448	7303	7,7	1,1	1,1	0,6	2,1
China	13052	8266	4457	4463	6408	25,7	5,3	2,4	1,7	1,8
Belgium	799	1070	4869	1475	5470	1,6	0,7	2,6	0,6	1,6
United States of America	3742	5701	41069	14088	5340	7,4	3,7	21,8	5,4	1,5
Germany	10870	14656	5734	6781	3507	21,4	9,4	3,0	2,6	1,0
Mauritius	2207	4426	4550	5043	3392	4,3	2,9	2,4	1,9	1,0
United Kingdom	1966	1553	1131	2976	3305	3,9	1,0	0,6	1,2	1,0
United Arab Emirates	0	0	878	237	2786	0,0	0,0	0,5	0,1	0,8
Austria	304	645	3526	2159	2713	0,6	0,4	1,9	0,8	0,8
Canada	1357	1524	5295	869	2078	2,7	1,0	2,8	0,3	0,6
Estonia	0	0	0	0	823	0,0	0,0	0,0	0,0	0,2
South Africa	266	234	160	276	823	0,5	0,2	0,1	0,1	0,2
Total	50761	155115	188343	258690	347060	100	100	100	100	100

Source: Trade Maps

The top 3 importers of hemp fibre in 2019, as shown in Table 2, were Germany (13.6%); Spain (13.4%); Czech Republic (13.2%).

Table 2: Leading importers of true hemp "Cannabis sativa L.", raw or processed, but not spun; tow and waste of true hemp, 2015 – 2019 (HST5302)

	Value (R'000)					Share (%)				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Germany	60679	80796	54652	64370	46706	27,6	35,3	25,1	26,7	13,6
Spain	33815	27113	26076	35733	46229	15,4	11,8	12,0	14,8	13,4
Czech Republic	49150	52408	45699	44634	45378	22,3	22,9	21,0	18,5	13,2
Austria	1509	1788	1264	22159	38796	0,7	0,8	0,6	9,2	11,3
Poland	76	220	1024	1988	32287	0,0	0,1	0,5	0,8	9,4
Croatia	216	191	226	145	24060	0,1	0,1	0,1	0,1	7,0
United States of America	4173	11593	12333	7070	11619	1,9	5,1	5,7	2,9	3,4
Switzerland	2232	1158	3379	2883	7375	1,0	0,5	1,6	1,2	2,1
United Kingdom	7839	3092	3246	4582	7260	3,6	1,3	1,5	1,9	2,1
Nigeria	596	0	293	0	7130	0,3	0,0	0,1	0,0	2,1
Belgium	5200	4265	7583	6162	7072	2,4	1,9	3,5	2,6	2,1
Japan	7699	7855	4883	4806	6567	3,5	3,4	2,2	2,0	1,9
Italy	3184	3488	5840	11112	5975	1,4	1,5	2,7	4,6	1,7
China	178	454	732	711	5499	0,1	0,2	0,3	0,3	1,6
Slovenia	13673	5335	13397	1238	5499	6,2	2,3	6,1	0,5	1,6
Sweden	1712	2726	3432	4503	5124	0,8	1,2	1,6	1,9	1,5
Lithuania	786	586	40	606	4258	0,4	0,3	0,0	0,3	1,2
Luxembourg	101	220	971	2344	4113	0,0	0,1	0,4	1,0	1,2
France	6114	5569	5694	3134	3666	2,8	2,4	2,6	1,3	1,1
Finland	101	1803	2235	3015	2944	0,0	0,8	1,0	1,2	0,9
Total	219950	229170	217864	241350	344058	100	100	100	100	100

Source: Trade Maps

8. Potential of hemp and cannabis industry

The factors to consider when evaluating industrial hemp as a potential crop for the Western Cape are potential yields, processing methods, and farmer costs and returns. Potential revenue from hemp cultivation is dependent on yields and market prices. The market potential of the plant is considerable, from the stalk, through to the seeds and flower. It will be beneficial for the province to participate in both the cultivation and processing of hemp and cannabis. Doing so will increase the number of sub-sectors and the number of jobs that can be created given the vast array of products that can potentially be produced from this plant.

9. Conclusion

Hemp is generally cultivated for industrial use, and some of the items that emanate from the plant include textile fibre, food, oil, and medicine. The medical cannabis and hemp industry hold immense benefits in terms of revenue generation and job creation. This industry will generate new economic and development opportunities for the Western Cape. As the legislation regarding cannabis continues to evolve, investors in the province can position themselves to take advantage of what this emerging industry has to offer. The cannabis industry has a lot of potential for growth and employment creation, and can become a key sector for the Western Cape because of the province's strength in agriculture. The market potential of the hemp and cannabis industry is enormous, and

the industry can grow even faster as legislation is eased. However, as an emerging industry, it is likely to face infant industry challenges, and would require some form of government intervention and support to thrive.

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