

Engagement with the dtic on its role to enable the National Cannabis Master Plan

Presentation to the Portfolio Committee on
Trade, Industry and Competition

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the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

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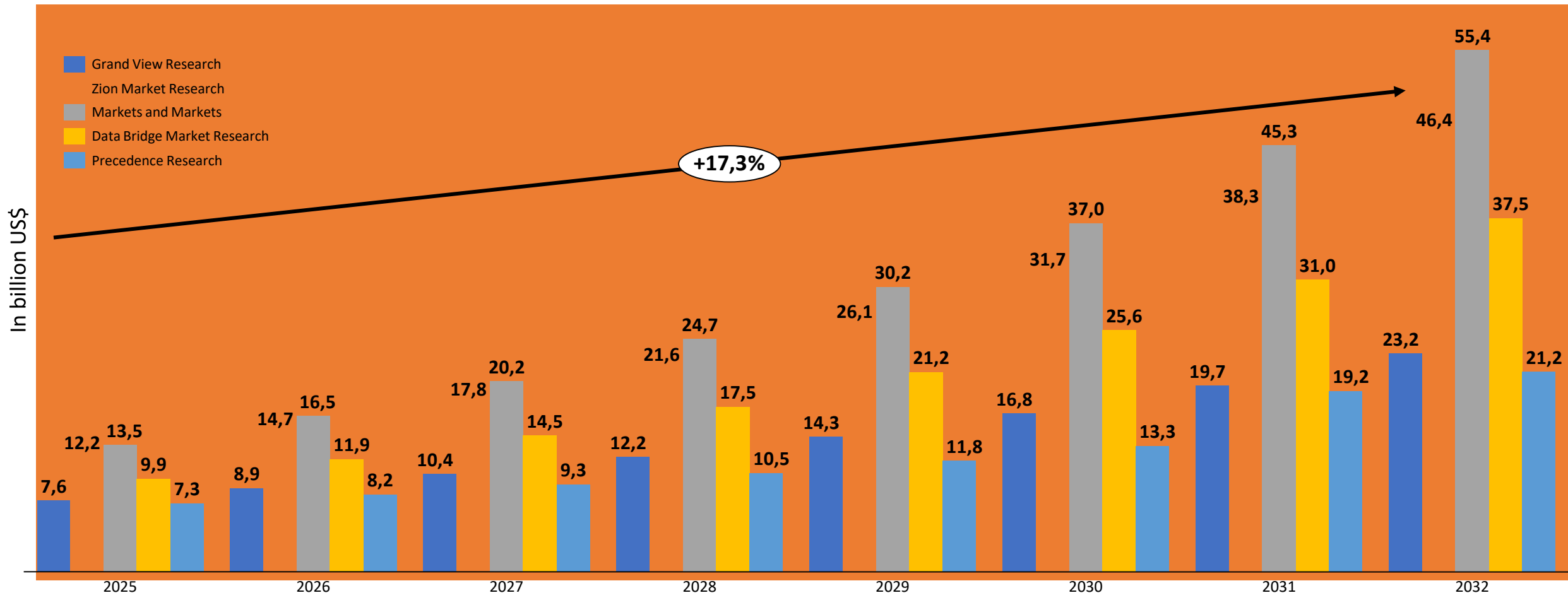
THE NATIONAL CANNABIS MASTERPLAN

- The National Cannabis Masterplan was developed by the former Department of Agriculture, Land Reform and Rural Development in the last administration.
- The purpose of the Masterplan is to provide a broad framework for the development and growth of the SA cannabis industry in order to contribute to economic development, job creation, inclusive participation, rural development and poverty alleviation.
- Responsibility for the Masterplan was moved to the Department of Trade, Industry and Competition in this administration.
- An Inter-Ministerial Committee (IMC) chaired by the Minister of Trade, Industry and Competition oversees the implementation of the Masterplan.
- External stakeholders are included in a Steering Committee which meets quarterly.
- Four Working Groups have been established under the Masterplan each dealing with one or more pillar of the Masterplan to co-ordinate implementation.

SONA 2025 COMMITMENTS

- South Africa aims to become a global leader in the commercial production of hemp and cannabis, positioning the sector as a cornerstone of both agricultural and industrial development.
- This vision is closely linked to broader strategies to support farmers, strengthen rural supply chains and logistics, and expand export markets for agricultural commodities, including cannabis and hemp products.
- The Minister has committed to achieving 10 % annual growth in the cannabis and hemp sector, from a R14 billion base, aligned with booming global market forecasts that value the industry in the tens of billions of dollars.
- According to a recent Stats SA report, the South African cannabis market is projected to generate approximately R5.5 billion (US \$318 million) in revenue by 2025, with both medical and recreational segments continuing to expand.

PERFORMANCE OF SECTOR: ESTIMATED AVERAGE HEMP MARKET SIZE AND GROWTH (2025-2032)

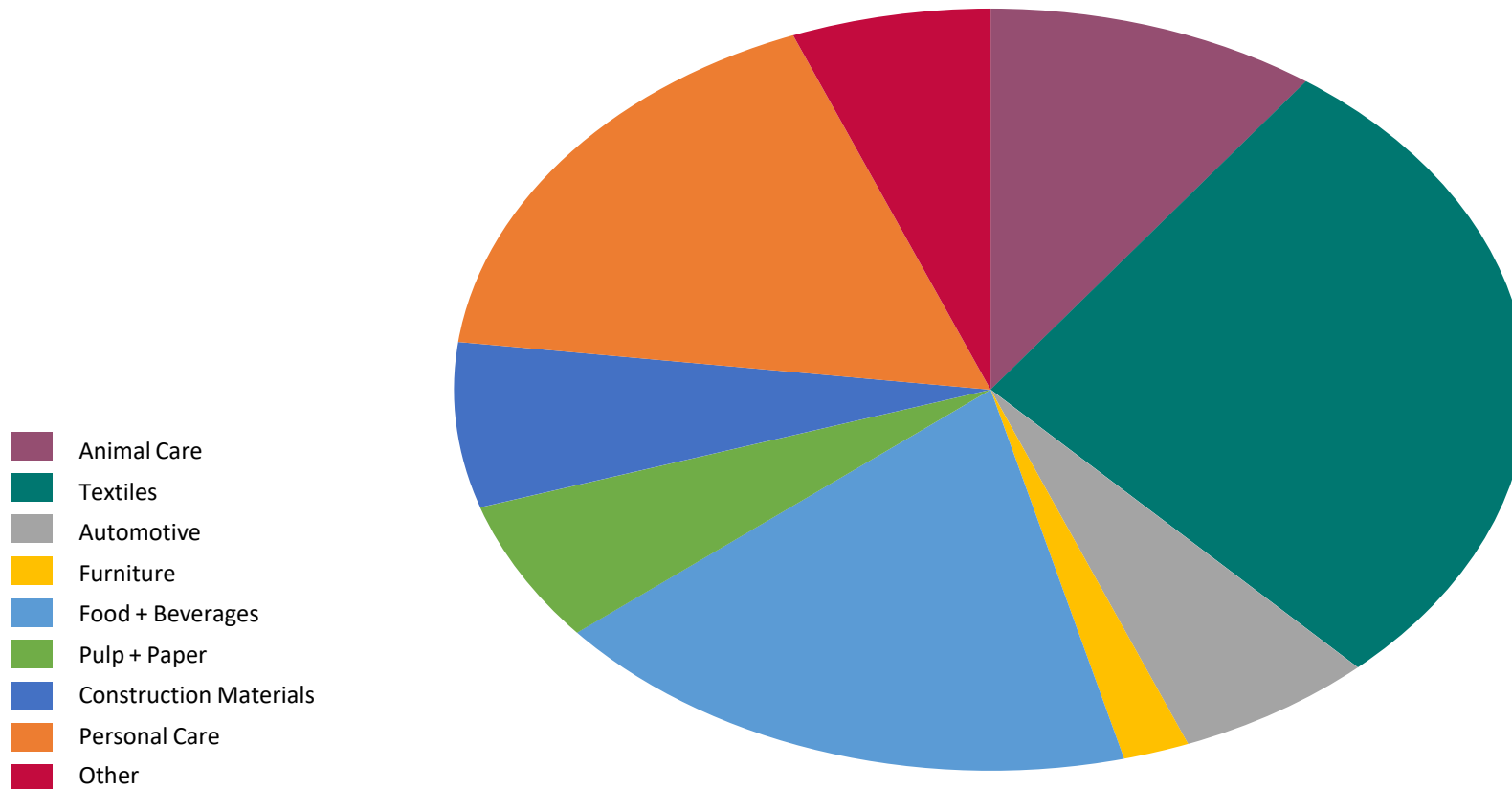


Based on our selected review, the global hemp market in 2025 is estimated at over US\$10.1 billion* on average, comprised of all 5F+F uses of hemp (including CBD, for some reports). This is expected to grow at an average CAGR of more than 17% during the forecasted period, reaching an average of US\$36.7 billion by the year 2032* (a more than 3x increase in less than a decade).

Sources: 6 of the most cited and recent reports from 6 leading market intelligence companies (including Grand View Research, Zion Market Research note some figures exclude CBD segment for industrial hemp calculations; e.g. Arc View, which estimates CBD hemp at roughly US\$5.4 billion); Zagea analysis.

CRITICAL DEMAND SEGMENTS

- The cannabidiol (CBD) flower market is by far the largest segment, with use in large industrial, pharmaceutical and adult-use purposes.
- Excluding CBD, seed (mostly for human ingestion and personal care) accounts for the single largest revenue share among primary hemp products while straw products (particularly fibres) remain critical given applications in textiles (the largest share in end-use), automobiles, and building materials.



OBJECTIVES OF HEMP AND CANNABIS REGULATORY REFORM

- Ensure a transparent and consistent regulatory environment.
- Implement a unified national framework for hemp and cannabis sector development.
- Maximise economic opportunities throughout the value chain.
- Foster inclusive growth and support industrialisation initiatives.

PROGRESS ON MASTER PLAN IMPLEMENTATION – REGULATORY REFORM

Department of Justice (DoJ)

- The Minister of Justice and Constitutional Development published the draft regulations made in terms of the Cannabis for Private Purposes Act for public comment on 2 February 2026. The closing date is 5 March 2026.
- The Regulations also provide for documents and procedures to assist with the expungement of criminal records of persons convicted of the possession of cannabis.
- The amounts of cannabis permitted for possession and transportation and the number of plants that may be grown must be approved by Parliament before the regulations can take effect.

Department of Health (DoH)

- The Minister of Health's Ministerial Advisory Committee is investigating the levels of THC and CBD that could be permitted in edibles.

Department of Agriculture (DoA)

- The Plant Breeders' Rights Act came into effect on the 6 June 2025. This Act protects the intellectual property (IP) rights of plant breeders. It allows breeders to register new plant varieties, granting them exclusive rights to produce, reproduce, sell, and distribute those varieties for a set period (typically 20–25 years depending on the species). The Act will be used to protect the rights of landrace cannabis growers.
- The Plant Improvement Act of 2018 came into effect on 1 December 2025 together with new regulations on hemp. The permissible amount of THC in hemp plants has now been raised to 2% from 0.2%.

PROGRESS ON MASTER PLAN IMPLEMENTATION – REGULATORY REFORM

Department of Trade, Industry and Competition (the dtic):

- **Progress on Commercialisation of Hemp and Cannabis:** finalising the policy for Ministerial approval to submit to Cabinet for release for public consultations. The primary goal of the Hemp and Cannabis Commercialisation Policy is to unlock the sector's economic potential while balancing public health and social justice concerns. The policy is expected to be ready for Cabinet approval and publication for public comments by April 2026.
- **Overarching Cannabis Bill development:** The bill will replace all existing legislation dealing with cannabis and cover commercial cultivation, private use, research, and manufacturing. The Cannabis Bill is scheduled to be introduced to Parliament by mid-2027.

Department of Small Business Development (DSBD) has been asked to include provisions for the licensing of cannabis businesses in the Business Act or the draft Business Licensing Bill. This will allow the regulated sale of cannabis. On 03 September 2025, Cabinet approved the publication of the Business Licensing Bill, 2025 for public consultation, after which the Department conducted a comprehensive stakeholder engagement and consultation process. The revised Bill, incorporating stakeholder inputs, was subsequently submitted to the Office of the Chief State Law Adviser (OCSLA). A meeting has been scheduled to deliberate on post-consultation amendments arising from OCSLA's feedback, and upon receipt of certification and approval, the Department will resubmit the Bill to Cabinet. The Department will submit the revised Bill to Cabinet upon receiving certification and approval from OCSLA. The final Socio-Economic Impact Assessment System (SEIAS) application has been resubmitted and is currently being finalised.

PROGRESS ON MASTER PLAN IMPLEMENTATION – REGULATORY REFORM

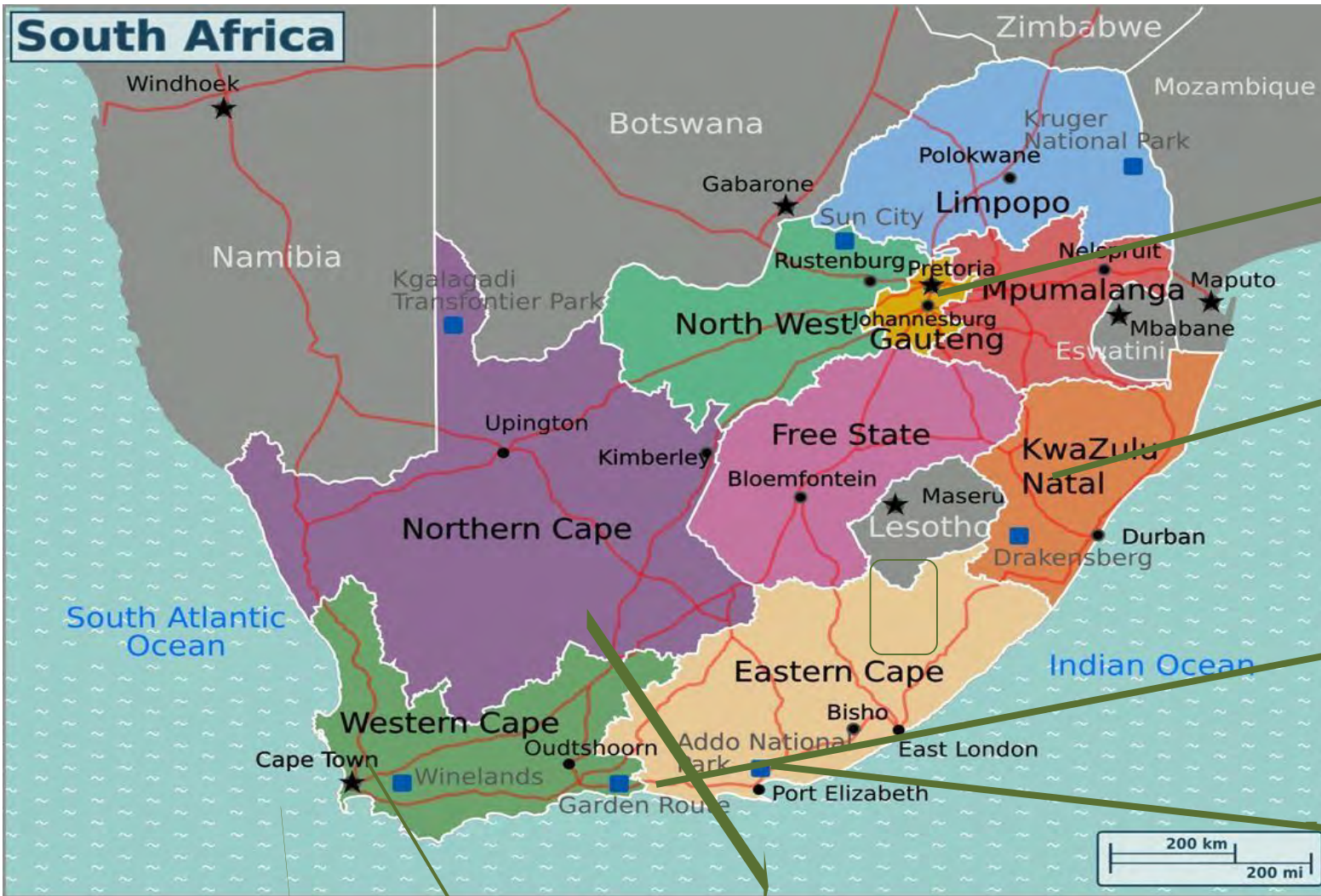
Department of Science and Innovation (DSTI)

- The draft IK Act Regulations is being revised so that the IK Act can come into effect. This will ensure the inclusion, protection, promotion, management of the indigenous knowledge.
- The Department has re-Gazetted the draft Regulations for a 60-day public comment period, concluding in April. Thereafter, the Regulations will be submitted to the Office of the Chief State Law Adviser, with an anticipated finalisation by June, followed by Parliamentary processes expected to conclude around August. These timelines are indicative, as external processes are not within the Department's direct control.
- The Department further maintains that any utilisation of genetic resources associated with Traditional Knowledge triggers benefit-sharing obligations, and that communities who are custodians of such knowledge must benefit from both commercial and non-commercial use of the associated resources.

PROGRESS ON MASTER PLAN IMPLEMENTATION – OTHER DEVELOPMENTS

- **Hemp Permits:** DoA has issued 1,408 hemp cultivation permits granted, reflecting growing interest from farmers and co-operatives.
- **Medical Cannabis Licences:** There are 116 active cultivation licences issued by the SA Health Products Regulatory Authority. 8 licences have been issued for manufacturing (extraction and packaging) and 35 licences for research.
- **Seed Development & Research:** The DoA and ARC are multiplying two registered hemp seed varieties to boost local supply and reduce reliance on imports.
- DSTI's **African Legacy Medical Cannabis Programme** has been activated in 18 (2 per province) Communities of Practice on low risk therapies, nutraceuticals, cosmeceuticals and health infusions.
- DSTI's **High-End Medical Cannabis Programme by the African Natural Medicines Consortium** is working on priority health conditions like cancers, diabetes, neurodegenerative diseases, etc, for clinical applications.

PROVINCIAL PLANTING SEASON PROJECTS



Gauteng: 199 hemp permits issued by DoA.
24 permit holders with offtakes.

KZN: Targeting 680 tons of Hemp and Cannabis Production.
350 hemp permits issued by DoA.

EC: COEGA SEZ
Natural Fibre Hub
200 Ha linked to commercial offtake for CBD flower. Training of farmers on quality management ongoing.

ECRDA Hemp and Cannabis Programme
Ongoing Field Visits
Pondoland: farms, communities, Port St Johns, Ntabankulu, Lusikisiki, etc.

WC: Department of Agriculture: Trials on Seed production, ARC collaboration –DoA Research farm, Outeniqua

NC : ARC and DoA, running hemp trials in Upington. Third season planting is scheduled to commence on the 10th of November 2025

PROVINCIAL PLANTING SEASON PROJECTS

Eastern Cape

- 200 Ha linked to commercial offtake for CBD flower.
- 50-100 Ha commercial trial on industrial hemp (depending on ARC).
- CBD commercial offtake's output yields estimated at 1,200 – 2000 kg.
- 95 Growers attended a practical training course at Fort Cox College 7 – 8 October 2025.

Gauteng

- 199 hemp permits issued by DoA.
- 24 hemp permit holders with offtakes available, and the province developed a consolidated hemp production plan outlining the hemp production status in the province.

KwaZulu-Natal

- Targeting 680 tons of Hemp and Cannabis Production during the current season commenced in September.
- 350 hemp permits issued by DoA.

PROVINCIAL PLANTING SEASON PROJECTS

Limpopo

- The Limpopo Department of Agriculture and Rural Development has planned to conduct the study on the response of hemp varieties (ARC varieties and local landraces) to different agro-climatic conditions of Limpopo Province.
- Developed a draft Cannabis and Hemp Development Strategy.

Western Cape

- Fibre and seed production – Planting date trial (12 varieties) - Collaboration with ARC and DoA.
- Trials on Seed production, ARC collaboration – At WC DoA Research farm, Outeniqua Research Farm.

Northern Cape

- The department, in collaboration with the Agricultural Research Council and the National Department, is running hemp trials in Upington. Third season planting is scheduled to commence on the 10th of November 2025.
- The Department has funded the establishment of a Hemp Nursery. The construction of tunnels is currently underway.

WAY FORWARD

- **Accelerate the regulatory roadmap** by collaborating closely with all relevant departments and regulators, including finalizing the Cannabis for Private Purposes Act Regulations.
- **Promote inclusive growth by empowering growers and processors** through easier access to affordable financing, robust capacity-building initiatives, and customized technical assistance aimed at improving operational efficiency, product quality, and long-term business sustainability.
- **Encourage investment** by offering targeted incentives and fostering public-private partnerships.
- **Support the commercialisation of the hemp and cannabis industry** by fostering innovation, market development, and strategic partnerships that drive competitive and sustainable business expansion.

THANK YOU!



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