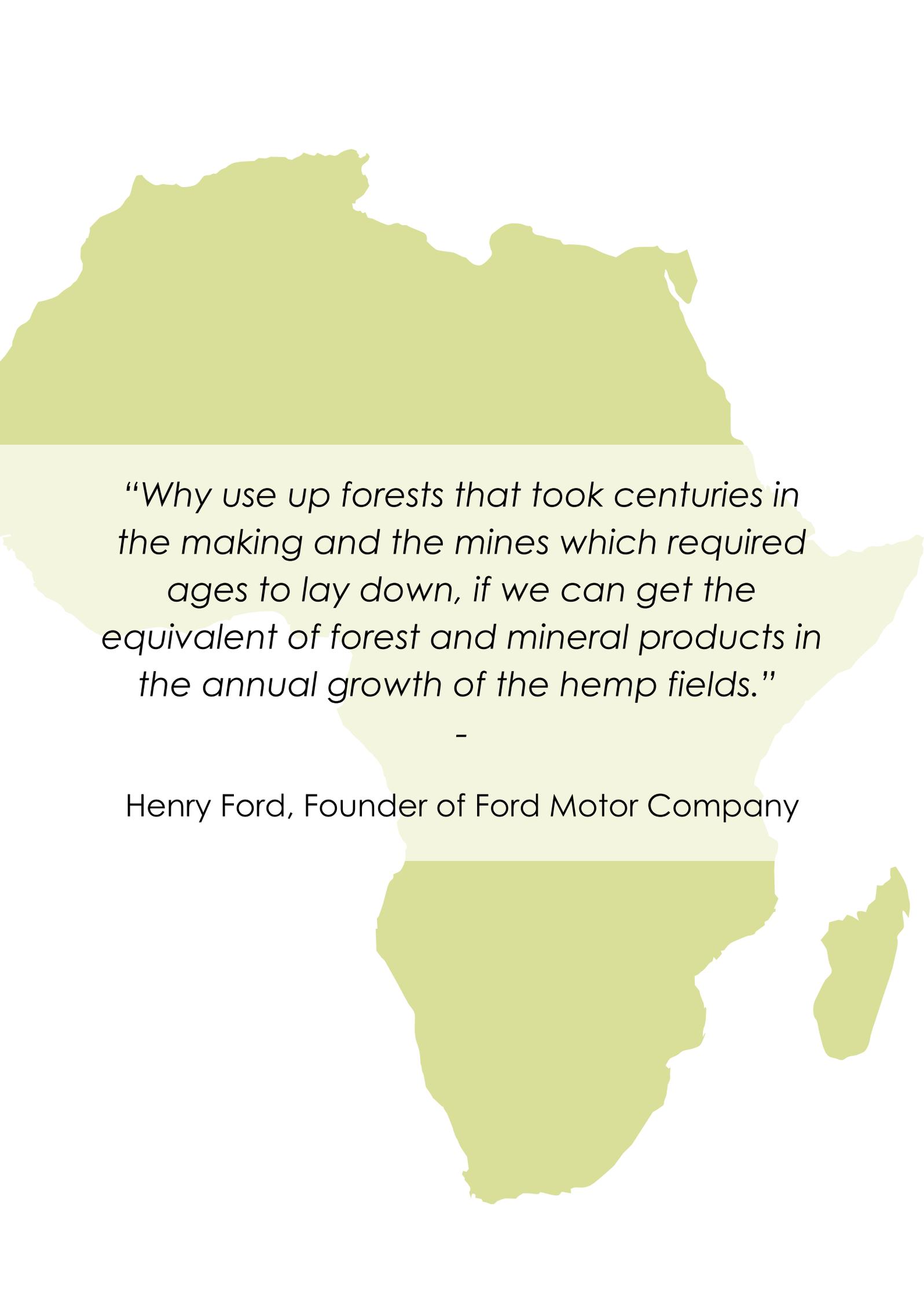




HEMP IN AFRICA

By Leo Wilson





“Why use up forests that took centuries in the making and the mines which required ages to lay down, if we can get the equivalent of forest and mineral products in the annual growth of the hemp fields.”

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Henry Ford, Founder of Ford Motor Company

Where does hemp stand in Africa?

A background to hemp's role in Africa

There is an urgent need to reform agricultural policy based on a forward-looking dynamic approach that reflects the current global environmental outlook. The global food system contributes between 21-37% of annual global emissions.ⁱ This reality has prompted the investment of extensive resources and expertise into researching crops such as hemp to identify ways of reducing agriculture's carbon footprint. Hemp continually demonstrates its diverse utility with superior positive externalities for societies and consumers than alternatives such as cotton and tobacco and is becoming extensively portrayed as the plant that could transform the modern agricultural landscape as we know it. Therefore, as discoveries emerge in the agronomic sphere policymakers must act cooperatively to facilitate the realisation of their full potential benefits.

In Africa, agriculture is paramount to the continent's economic development. Approximately 70% of the African population is dependent on agriculture for their livelihoods,ⁱⁱ therefore, the sustainability of Africa's natural capital will be at the heart of its future prosperity. For centuries Africa's natural capital has been exploited by the global north and domestic actors which has led to severe degradation of resource quality and yield quantity. Therefore, African nations such as Zambia have embarked on a mission to rejuvenate its lands to counter the declining quality of its natural capital. Despite the gloomy outlook, new opportunities have arisen such as industrial hemp (or hemp).

In recent years, hemp has returned to the spotlight amongst African policymakers as they seek to diversify their agricultural portfolio and utilise ecologically beneficial crops. Foremost, falling global demand for traditional export-led goods such as, tobacco (let alone the medium-term threat of falling oil and gas consumption), has pressurised some African nations to begin diversifying away from these traditional export-led commodities to keep up with global consumer trends. Further, hemp's environmental superiority to other crops originates from its low wastage multi-functionality. Hemp can be processed into a wide array of eco-friendly goods ranging

from cosmetics to building materials to food and feed; utilising every component of the plant. Also, hemp rejuvenates nutrients in the soil to such an extent that the soil is better off with hemp than without it, and it does not require a lot of fertilizers or pesticides due to its natural anti-bacterial properties.ⁱⁱⁱ In comparison, crops such as tobacco, cocoa beans, or cotton all deplete the nutrients in the soil due to the capital-intensive nature of producing them. On that basis, hemp can operate as an ideal rotation crop offsetting the effects of soil degrading crops whilst simultaneously offering lucrative incomes.

Another benefit of hemp is that it requires significantly less water than its rival cotton; an example of hemp's superiority to cotton is in the production of clothing material. A pair of jeans made from hemp requires a fraction of what denim requires, it takes 2,600 gallons of water to produce 1kg of cotton compared to 80-130 gallons of water to produce the same quantity of hemp equating to (assuming a median of approx. 105 gallons per kg of hemp) 96% less water consumed per kg of hemp.^{iv} Clearly, hemp is environmentally superior as a material for fashion, however in the fashion sector, 'fashion' prevails and to drive industry-wide support for such an environmental transition a significant opinion-leader or movement from within the industry is required.

A lot of people ask what is hemp? 'Hemp' otherwise known as 'industrial hemp' is a variety of cannabis Sativa grown for industrial purposes. Contrary to popular belief hemp characteristically contains low levels of THC and hence cannot be used as a drug for intoxication purposes. This is in stark contrast to varieties of cannabis Sativa grown for their high levels of THC and usually referred to as marijuana which is used recreationally and for medical purposes. For hemp, THC-limits are regulated at member state level - meaning nations can decide on the level of THC permitted in hemp (currently 0.2% in Europe).

Historians trace hemp's arrival in Africa to the mid-twelfth century, Arabian merchants brought the crop to barter for rare African minerals and goods. It was first introduced to Egypt and Arab communities on the East African coast that utilised cannabis fibres.^v Soon after hemp's arrival, communities realised its diverse range of applications and it quickly became ingrained in the culture and tradition of many African communities. An example of cannabis' historic pre-eminence is in South-West Africa; where

cultivated cannabis was so valuable that the Bergdama's of Namibia could use it to purchase anything they wished.^{vi}

In Africa, religious and cultural stigmas are barriers to a widespread supporting consensus for creating a legal hemp industry. In North and East Africa, the predominant religion is Islam, so policymakers must find Islamic justification within Shari'a law to implement such progressive policies with public concordance. Significantly, on March 11th, 2021, the Moroccan government announced a bill to legalise the medical, industrial, and cosmetic use of cannabis.^{vii} Morocco is an Islamic majority nation, so legitimising cannabis' role in the economy sets a new precedent for other Islamic nations to follow. Whilst this is an encouraging moment for hemp, it cannot be forgotten that cannabis has been ingrained in Moroccan culture for centuries, meaning it is one of the most likely Islamic nations to adopt such a position on cannabis. Nevertheless, taking an optimistic perspective the recent cannabis bill in Morocco could catalyse a domino effect of progressive cannabis reform as nations compete for a first-mover advantage in the region. In Sub-Saharan Africa, Christianity and other religions are dominant. As a result, pro-Christian anti-drug advocacy groups have assembled to staunchly oppose cannabis reform on religious grounds. However, these advocacy groups have not created a snowball effect in terms of influencing policymakers' attitudes to cannabis reform.

Today, the hemp industry within some African nations is in a similar stage of maturity as the European hemp industry. On both continents the wider population is becoming exposed to hemp, however, there are still many misconceptions around the crop's functionality due to a lack of education and cultural stigma. In Africa, this is made apparent by the names used within local dialects. Hemp is known as 'hashish' or 'kif' in large swathes of North Africa, both of which are names derived from marijuana. In sub-Saharan Africa, a wide number of names exist such as, 'dagga' or 'bang', again both of which are names predominantly associated with marijuana. The lack of distinguishment in dialectal vocabulary between the two types of cannabis stems from marijuana's deeper cultural integration within communities, as well as a lack of awareness surrounding hemp's numerous industrial applications. Therefore, it is essential for global stakeholders within the industry to prioritise education as a means of hastening widespread acceptance of hemp. Another point of similarity between the European and African hemp industries is governmental attitudes. The respective

governing bodies view hemp as playing a role in the future agro-economy, but with stringent oversight during its early integration back into the agricultural landscape.

South Africa

In 2020, a boost was given to the South African hemp industry when President Cyril Ramaphosa announced in his national address that:

“Government this year will open up and regulate the commercial use of hemp products, providing opportunities for small-scale farmers.’ Later, he reaffirmed that ‘agriculture is one of the industries with the greatest potential for growth.”

President Ramaphosa's bold endorsement of the South African hemp industry highlights the growing enthusiasm surrounding the sector's potential to spark job and economic growth in a country suffering from extremely high unemployment. An emerging Government initiative in South Africa is the 'Master Plan' initiative. The Master Plan focuses on revitalising fifteen sectors, which, the South African government deems essential for securing future economic prosperity. Significantly, one of the fifteen sectors where a Master Plan is being drafted is in the Cannabis industry – which takes into consideration industrial hemp and medical cannabis. This master plan will create a broader framework for regulation and progress to occur in the South African hemp industry.

The South African hemp industry has come a long way in the past few years. In 2018, The South African Departments of Health and Agriculture issued 37 hemp research licences to cultivate industrial hemp on 5,000 ha.^{viii} In 2019, the Department of Health rescheduled CBD products from Schedule 7 to Schedule 4 - Schedule 7 products are not recognised for medical use whereas Schedule 4 substances are recognised to be used for diseases and conditions.^{ix}

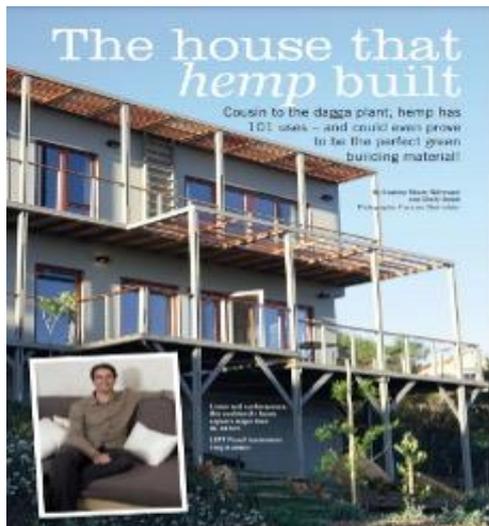
Recently, oversight of industrial hemp has been transferred to the South African Department of Agriculture, Forestry and Fisheries (DAFF). This is a significant achievement for the 'de-stigmatisation' of hemp as it separates hemp from the oversight of the South African National Department of Health. Minister Didiza who is

overseeing the regulation of Hemp within DAFF announced in May 2021 the departments plan to begin issuing licenses in October this year. Minister Didiza said:

"The department will, with the help of the Department of Justice, as of October 2021, begin issuing and monitoring permits for the production of hemp in South Africa" ^x

Before Minister Didiza's announcement, no hemp licences were being issued for several months which caused a knock-on-effect within the industry stifling investment, job growth and innovation. Nevertheless, after Minister Didiza's announcement, it is clear South Africa could emerge as a leading player in the global hemp industry if fair regulatory conditions are paired with progressive initiatives and well channelled investment.

South Africa has fostered traditional and innovative businesses by liberating hemp's role in the economy. Hemporium is widely renowned as Africa's oldest hemp company being established in 1996. They have contributed to pioneering the South African hemp industry and were instrumental in helping change laws and policy. Hemporium has taken a keen approach to showcase hemp's versatile eco-friendly applications through various projects such as co-founder Tony Budden's home which was constructed using hemp fibres.



On the innovative side of hemp companies, craft beer company Poison City Brewing developed South Africa's first cannabis-infused beer named, 'Durban Poison Cannabis Lager' which is infused with hemp oil. Poison city's iconic tagline is that their beers are "replacing some of the hops with hemp". The company is based in Durban and since their launch, Poison City Brewing have begun distributing their product to large alcohol outlets and restaurants across Durban and Johannesburg. In a testament to the growing consumer interest in hemp-derived products, 'Durban Poison Cannabis Lager' won the silver medal (out of 189 beers) at the South African national beer trophy in 2019.

Given the success stories of the companies under the spotlight, it is a promising sign for new start-ups in the hemp industry, which are looking to tap into shifting consumer attitudes that focus on greater environmental standards, greater quality, and a taste of something new.

Malawi

In February 2020, the Malawian government legalised hemp. The government passed the Cannabis Act which entailed the legalisation (albeit with a license) of cultivating, processing, storing, selling, exporting and distributing cannabis as well as issuing permits for research. To oversee the process of issuing permits and regulating industrial hemp and medical cannabis, the Malawian government created the Cannabis Regulatory Association (CRA). As of March 2021, 35 organisations had been issued their first license^{xi} and the CRA has imposed a THC limit of 1% on industrial hemp.^{xii}

Some Malawian ministers have made enthusiastic statements about the prospects of their domestic hemp industry as they seek to alleviate falling tobacco revenues through the diversification of their agricultural portfolio.

Boniface Kadzamira, a former influential MP for the introduction of dialogue on reforming cannabis laws, said once the legalisation bill passed “It is my strong view that cannabis will in the long run replace tobacco to become our major cash crop – that will contribute hugely to the GDP”. In stark contrast to the current governmental prevailing attitude of limiting growing access to entities with enough capital to cover license costs, Kadzamira said “We don't want to replicate what has happened in the tobacco industry. Malawians should participate, not as tenants, but as equal partners in this new sector”.^{xiii}

Agriculture Minister Kondwani Nankhumwa voiced another vote of confidence in hemp saying, “Legalisation of this crop will contribute to economic growth as it will contribute to the diversification of the economy and boost the country's exports, especially at this time when tobacco exports are dwindling.”^{xiv}

After the Cannabis Regulation Bill passed the government formed the The CRA. The CRA is responsible for licensing and regulating medicinal hemp and industrial hemp, the licenses include cultivation, storing, selling, exporting, distributing and scientific research. The CRA set a license fee of between 100 to 10,000 dollars to grow and sell industrial hemp. Each license holds a 12-month permit, however, upon expiry license holders can reapply for a 12-month extension with the same fee

applying again.^{xv} Boniface Kadzamira, champion of legalising cannabis in Malawi, is board chair of the CRA. Kadzamira told Reuters that the body received more than 100 applications for licensing in November 2020. As mentioned prior, Kadzamira advocated that Malawians should be “equal partners” in the Malawian hemp value chain and it appears that the CRA is embodying that attitude with relatively low license fees. However, whilst the fees are relatively low, some farmers have voiced their condemnation of the fees. The response of the CRA stated that farmers are expected to operate in co-operatives.^{xvi} Within the CRA, there is a strong belief that hemp has the potential to surpass earnings from tobacco being hinted to become the next main export crop, so the coming years will be significant for determining if the CRA's ambitions for hemp can be materially realised.

Changing global consumption patterns have reduced demand for traditional export-led crops in Africa. Tobacco is at the forefront of the seismic shift in global consumption patterns, and it is Southern Africa's most valuable export crop accounting for \$444 million worth of exports.^{xvii} Consequentially, falling demand has depleted foreign exchange earnings causing severe medium-term risks to agricultural income and communities' livelihoods. Tobacco production forms the backbone of many rural communities. In Malawi, around 75% of the population is dependent on the tobacco industry be it through direct employment, indirect employment or through a family member.^{xviii} Further, in 2020 Tobacco revenues in Malawi fell 26.4%, having severe consequences for individuals and communities.^{xix} Without a viable substitute crop for tobacco, there could be an array of consequences such as increased poverty/food insecurity, greater unemployment, political instability, or greater disparity in global inequality. So, in the context of this trend continuing, the CRA would become a pivotal government body in offsetting revenue shortfalls and reducing unemployment in Malawi. The shift in global consumption patterns for crops like tobacco is yet another reason why alternate crops like hemp will become essential for agro-orientated economies that face uncertain demand in the coming future.

Malawi has approached hemp liberalisation through state-corporate cooperation, an example of this is Invegrow Ltd which played a role in advising the draft bill for cannabis legislation. Invegrow was founded in 2013, and by 2015 they became the first Malawian company to conduct research trials on low-THC industrial hemp.

Invegrow advocate that their main objective is to “see industrial hemp adopted as a viable new cash crop in Malawi, and to see Malawians benefitting from its products from both a health and economic level.”^{xx} So far, Invegrow has processed hemp products such as paper, bricks and cosmetics in Malawi transferring their early research trials to realised products. Invegrow has ambitions to become a leading company in Africa for producing seed, genetics, extracts and food in Malawi.

Another company embedding itself in the Malawian hemp industry is Ikaros Africa. Ikaros possesses a team with over 50 years of cumulative experience in the medical agricultural industry, thus possessing the specialists needed to move hemp forward in Malawi. Currently, Ikaros offer Full Spectrum Crude CBD oil, True Full Spectrum oil, CBD Isolate, CBD Distillate and THC-Free CBD Distillate. Ikaros is involved in the entire process from cultivating the crop to developing the extracts. Ikaros has also worked closely with the Government of Malawi conducting extensive trials and is striving to support the Ministry of Agriculture – which also oversees hemp in Malawi like South Africa and Zimbabwe. Like Invegrow, Ikaros Africa seeks to enrich the lives of its fellow Malawians taking a community-orientated farming approach to its business model, which, means creating employment and market opportunities through contract farming and direct employment.^{xxi}

Zimbabwe

On April 27th, 2018, Zimbabwe became the second African country to legalise the cultivation of marijuana for scientific and medical purposes only. Then in 2019, Zimbabwean authorities announced that farmers would be allowed to grow industrial hemp for export which came into effect in 2020.^{xxii} The government has imposed a 0.3% THC limit on industrial hemp on the field, however, the Zimbabwe Industrial Hemp Association is pushing the government to raise THC restrictions in hemp-derived products to 1%. The government has provided a clear and comprehensive regulatory guideline for cultivators and researchers to follow. Notably, cannabis regulation governs the entire plant and its derivatives with three exceptions: 1. Fiber for use in manufacturing, 2. Crushed seeds that cannot germinate, 3. Fixed oil from the seed. The Zimbabwe Industrial Hemp Trust (ZIHT) has been an essential proponent to the developing Zimbabwean hemp industry. ZIHT planted Zimbabwe's first-ever authorised hemp crop at a prison in Harare sowing six varieties of industrial hemp, and

later the trust obtained a license for hemp production. To date, Zimbabwe has issued 57 cannabis licenses to foreign and domestic entities showing the government's growing appetite for expanding its cannabis economy.^{xxiii}

In Zimbabwe, the government has high expectations for the emerging hemp industry, citing hemp as a vital substitute crop for declining tobacco demand. Government excitement for industrial hemp can be heard across the ministerial departments: In a post-cabinet media conference, Industry and Commerce Minister July Moyo emphasised hemp's low THC characteristic stating, "But with hemp, it's not toxic as cannabis", Moyo went on to say, "The minister of justice has been directed to say, 'go and make amendments to the criminal code in our system so that people who will grow hemp don't have to be criminalised'".^{xxiv} In a country where growing cannabis illicitly can lead to twelve years imprisonment, this is a major milestone in the progression of societal and government attitudes towards industrial hemp.

In the same meeting, Information Minister Monica Mutsvangwa said, "Industrial hemp will widen the country's industrial and export base".^{xxv} On November 26th, 2020, Finance Minister Mthuli Ncube spoke on the broader cannabis industry in his budget statement, stating there was immense potential to generate export and tax revenues, up to as much as 20% will be applied to oils, bulk extracts and dried cannabis flowers.^{xxvi}

Clearly, the Zimbabwean government is keen to invest in and grow its domestic hemp industry. Zimbabwe saw export earnings from cannabis outpace those of tobacco three folds after legalising the cultivation of the plant.^{xxvii} The nation appears an attractive prospect for foreign-direct-investment as the country continues to successfully demonstrate the positive effect of government-industry cooperation providing a model for nations around the world to observe. Zimbabwe has separated ministerial oversight of hemp (agricultural) and medical cannabis (medical) into their appropriate departments, so, the Ministry of Lands, Agriculture, Fisheries, Water and Rural Resettlement oversees everything hemp. This is a positive development as it allows the hemp industry and specialised government administrators to co-operate more efficiently, fostering more-suited policies and regulations to develop.

While Zimbabwe has laid the foundations for hemp to expand its economic and social role. Since, late 2020 acquiring a hemp license costs just \$200 which is a significant step towards democratising growing hemp.^{xxviii} Interestingly, policymakers have created different 'branches' of permit holders which are: a general cultivator's permit, a research and breeding permit and an industrial hemp merchant's permit.^{xxix} The different permits divide and regulate, procurement, sales, transportation of hemp, distribution and possession.^{xxx} In sum, Zimbabwe has effectively regulated and laid down the framework for a prosperous hemp industry to emerge with low licensing fees, which encourages rural farmer co-operatives to form fostering the democratisation of hemp in Zimbabwe.

Summary

Across Africa, there is a clear growing interest amongst policymakers to introduce hemp to the agricultural landscape and create a regulatory framework for it to thrive. Hemp could unleash jobs across agriculture, manufacturing, refining, research and development, construction and in the tertiary market. In the African context, many factors will determine hemp's success like trends in demand for traditionally produced goods, religious or cultural stigmas as well as policymaker's attitudes to reform. Industry figures around the world believe that a vibrant cannabis economy will entail a vibrant hemp economy, so the ultimate question for hemp is how much market share it can successfully capture. This research has closely explored the progression of the South African, Malawian and Zimbabwean hemp industries. One thing the countries share is their respective policymakers' rationale and progressive appetite to categorise hemp's ministerial jurisdiction within their respective departments of Agriculture. From this, greater levels of ministerial specialisation will be granted to developing the regulatory framework for a successful hemp industry to emerge. Moreover, Zimbabwe and Malawi have both made great steps to democratising growing hemp by setting low license fees that encourage rural communities to form co-operatives and support the development of communities. Another reason for hemp's emergence in Africa is the steady decline in demand for traditionally produced crops like tobacco. Crops like hemp will be vital to 'fill' the hole in the shortfall of agricultural revenue to maintain growth and development. Finally, hemp's environmental superiority and soil regenerating effects are attractive for any government or landowner seeking to

contribute to reducing global carbon emissions whilst replenishing their land for greater crop yields and quality. Ultimately it appears a “hemp-rush” in Africa could be on the horizon.

Hemp	
Complete Protein	Yes
Soil regenerating	Yes
Eco-Friendly / Biodegradable	Yes
Lucrative	Yes
Thousands of Utilties	Yes
Future crop of the 'green economy'	TBC

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