

A person wearing a pink and white striped headscarf is shown from the chest up, holding a large bundle of harvested cannabis plants. The plants are green with dark, developing buds. The background is a dark, dramatic sky with some light clouds. The overall mood is somber and contemplative.

Seeds of Inequality

Contrasting Realities in South Africa's
Cannabis Industry



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Pien Metaal (Mpondoland, May 2018)

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source: Pien Metaal (Mpondoland, May 2018)



Key points

- With the renewed global interest in cannabis, South Africa, historically a cannabis producer, is currently navigating the challenges of and opportunities to create an inclusive and regulated cannabis industry.
- Despite the high expectations of economic growth and the alleviation of poverty, the current cannabis licensing systems largely favour a small group of corporations, side-lining traditional small-scale farmers. This underscores the urgency of establishing inclusive policies to mitigate this structural inequality.
- The traditional cannabis farmers face many challenges as the industry evolves, including demand shifting towards high-grade strains and self-cultivating users. These changes threaten the economic viability of traditional farmers, resulting in declining living standards, food insecurity, and socio-economic stress.
- Although there is considerable economic potential in landrace cultivation by smallholders in the Dagga Belt region for medicinal and recreational adult-use, and in the industrial sectors, there are currently no legal pathways to use this production. Rural legacy farmers can thrive economically only when legal reforms are aimed at empowering them.
- Unequal economic participation in the cannabis sector will result in losing traditional cultivation practices and indigenous genetics of regional strains. Urgent protective measures are essential to ensure their survival, with legacy farmers playing a vital role in this preservation.
- Addressing this economic and political inequality in the cannabis industry requires policy reforms, in which it is crucial to give priority to resource-poor legacy farmers. An important step to prevent a further downward spiral of poverty and to unlock economic potential is the implementation of the policy principles established in the Phakisa Action Lab.
- Instead of preferential terms for the corporate cannabis industry, new policies need to create preferential conditions for traditional cannabis growers. These communities have suffered under the prohibitionist regime for decades, and reparations in the form of preferential economic opportunities are the least a social justice-oriented policy should offer.

A Cannabis Renaissance

After a century of global prohibitive policies on growing, trading, and consuming cannabis, or dagga as it is more commonly known in South Africa, the last ten years have witnessed renewed interest in its medicinal, sustainable, and socio-economic potential. As a major cannabis-producing country, and one of the main actors in the 1920s to push for global prohibition in what was to become the current international control regime, the case of South Africa highlights both the high expectations and deep inequalities of the newly emerging legal cannabis industry.²

South Africa has a long history of cannabis use, production and trade, and only in 2018 did the Constitutional Court begin to revise its outdated policies, following a lengthy lawsuit regarding the freedom for adults to use cannabis.³ The court ordered parliament to develop comprehensive legislation allowing for adults to use cannabis in private spaces, and subsequently to regulate possession and cultivation.⁴ In his 2021 annual State of the Nation Address, President Cyril Ramaphosa pledged to create favourable conditions for a national cannabis industry that promotes economic growth, job creation, and poverty alleviation. Despite these lofty aspirations, the emerging cannabis industry is following a pattern of structural inequality. So far, only certain corporations are benefiting from the new licensing systems for medicinal and industrial cannabis, and traditional farmers in poverty-stricken rural areas are being left behind.

The free-market dynamics of the emerging corporate cannabis industry exemplify this trend, characterised by new companies, fierce competition and significant disparities in market entry for small-scale cannabis farmers. At the centre of this debate are the criminalised legacy farmers located in the Dagga Belt, the main area for the rural cultivation of cannabis, spanning the Eastern



source: Pien Metaal (Mpondoland, May 2018)

Cape, KwaZulu-Natal, Lesotho, and Eswatini (formerly Swaziland).⁵ These subsistence farmers, estimated to number more than 60,000 people, have been the backbone of South African cannabis production but are now impeded from participating in the regulated cannabis economy.

This briefing paper focuses on Mpondoland, the Eastern Cape centre of traditional small-scale cannabis farming. It provides an overview of the changing dynamics in the national cannabis economy, with a specific emphasis on inclusive policies. It addresses the question of how to create the inclusive cannabis industry, 'serving the ordinary farmer' as envisaged by President Ramaphosa.⁶

A Brief History

Although Cannabis Sativa is not native to Africa, indigenous populations on the continent have a long-standing history of thriving cannabis cultures and economies.⁷ Historical accounts indicate a deep understanding of horticulture, ecology, pharmacology, and the production of psychoactive substances and related paraphernalia that predate colonialism.⁸ Cannabis cultivation, trade, and use reached the African continent through Arab traders coming from India. It arrived on the east coast at trade centres like Zanzibar and Mozambique Island. From there, it spread through the Zambezi and Congo River basins to reach southern Africa.⁹

Before western colonial encounters, indigenous communities in Africa commonly used and cultivated cannabis (dagga) for adult use and for spiritual purposes, with varying degrees of involvement across different ethnic groups. There is some debate on how far specific indigenous communities used cannabis, but eighteenth-century ethnographic reports indicate the

early involvement of the Khoikhoi, San, Swazi, Sotho, Pedi, Nama, Zulu, Xhosa, and Mpondo ethnic groups in regional cannabis cultivation and trade.¹⁰ It appears that before European colonial rule, cannabis cultivation exclusively fuelled local and regional trade. The regionally adapted plants and traditional rural cultivation practices have been passed down the generations, forming the basis of contemporary rural cannabis markets in South Africa.

This is not to suggest, however, that the evolution of rural cannabis cultivation as an economic livelihood strategy has been remotely peaceful. At least from 1800, British and Dutch colonial powers associated cannabis with racialised moral condemnations, which laid the groundwork for the later Apartheid era.¹¹ Similar to the experience of the British in India, where cannabis consumption among indentured labourers sparked controversy, control over the plant became a means to discriminate between the 'morally superior' white population and the 'inferior' Black and 'coloured' populations.¹²

This is illustrated by the case of the Indian Immigrants Commission of South Africa, which in 1887 aggregated 'scientific medical evidence' that cannabis consumption had a negative effect on labourers' strength, inducing indolence, aggressive behaviour, and leading to insanities.¹³ These symptoms were equated to moral judgements, as becomes clear from the following quote from the British doctor, C.J.G. Bourhill, about the evils of dagga smoking:

'[...] judged by the European standard, natives are absolutely immoral, in fact they may be described as non moral' (Bourhill, 1912: 25).

Criminologists strengthened these claims by warning of 'savage' and 'uncivilized' behaviour caused by Black people's use of cannabis, which would negatively affect

white elites. This rationale became known as the 'Black Peril' and directly informed the political condemnation of the plant. Equating this to the Native Affairs Commission report of 1905, which aimed to 'make natives more useful to the white community', reveals the economic exploitation at the basis of the disenfranchisement campaign throughout the subsequent decades of prohibition.¹⁴

At the close of the nineteenth century, the stigmatisation of cannabis had become focused on moral degeneration and a breakdown of cultural norms in an ethnic-specific way. As a result, in centres of economic activity where contact between non-white and white populations intensified, the use of cannabis was also problematised. The mining industry was similarly affected. Historically, cannabis was sold freely in mine stores to improve the miners' productivity, but was prohibited by white estate owners in 1908.

Provinces increasingly adopted prohibitive measures between 1891 and 1920, although officials in the Cape, Orange Free State, Natal, and the Transkei had already expressed important reservations about full prohibition. They recognised the unenforceable prohibition of cannabis in remote areas and regarded moderate dagga smoking as of little importance for public order and welfare. Nevertheless, by September 1922, the government of the Union of South Africa prohibited the cultivation, sale, possession, and use of cannabis under the Customs and Excise Duties Amendment Act.¹⁵ Moreover, the South African government also played a crucial role in promoting cannabis prohibition internationally. In its contribution to the Advisory Committee on the Traffic in Opium and Dangerous Drugs in 1923, it urged the League of Nations to include cannabis in the international list of habit-forming drugs. Signed by J.C. Van Tyen, Secretary to the Prime Minister, the government stated:

'I have the honour to inform you that, from the point of view of the Union of South Africa, the most important of all the habit-forming drugs is Indian Hemp or 'Dagga' and this drug is not included in the International List. It is suggested that the various Governments being parties to the International Opium Convention should be asked to include in their lists of habit-forming drugs Indian hemp: including the whole or any portion of the plants cannabis Indica or cannabis Sativa.'¹⁶

With no significant objections, this request was accepted, and cannabis came under international control in the 1925 International Opium Convention. Increasingly other signatories also began to pass more prohibition-oriented legislation.¹⁷

The Violence of Prohibition

In the subsequent decades, police enforcement of the new drug policy increased rapidly. Under the Weed Act of 1937, law enforcers were trained to recognise and eradicate cannabis plants, leading to many arrests of farmers and users. Between 1924 and 1945, the number of annual prosecutions rose from 1,000 to 16,170, the vast majority of which concerned users. Nevertheless, rural cannabis markets expanded steadily during this period.

In the Mpondoland region in particular, formerly part of the British colony of Natal, outdoor cannabis farming became concentrated. As a part of the Bantustan policies of the 1950s, rural Mpondoland became part of the self-governing homeland, the Transkei. Under the Apartheid administration, large groups of Black minorities became concentrated in the Mpondoland region through a combination of forced and voluntary settlement. Outside the formal control of the national government, the region fell significantly behind in basic

Figure 1. Map of the Eastern Cape with the Mpondoland Region Highlighted



Source: Gray Simple Map of Eastern Cape, by Maphill (2013): maphill.com/south-africa/eastern-cape/simple-maps/gray-map/

infrastructural development compared to the urban centres. Suffering from active disenfranchisement campaigns and marginal economic activity crossing its borders, the region became isolated and self-provisioning. At the height of the rural cannabis market, the Eastern Cape's cannabis cultivation was estimated at 80,000 hectares in 1998 (compared to 2,500 ha in Natal).¹⁸ The current estimated size of the annual cultivation area is estimated at around 31,200 ha.¹⁹

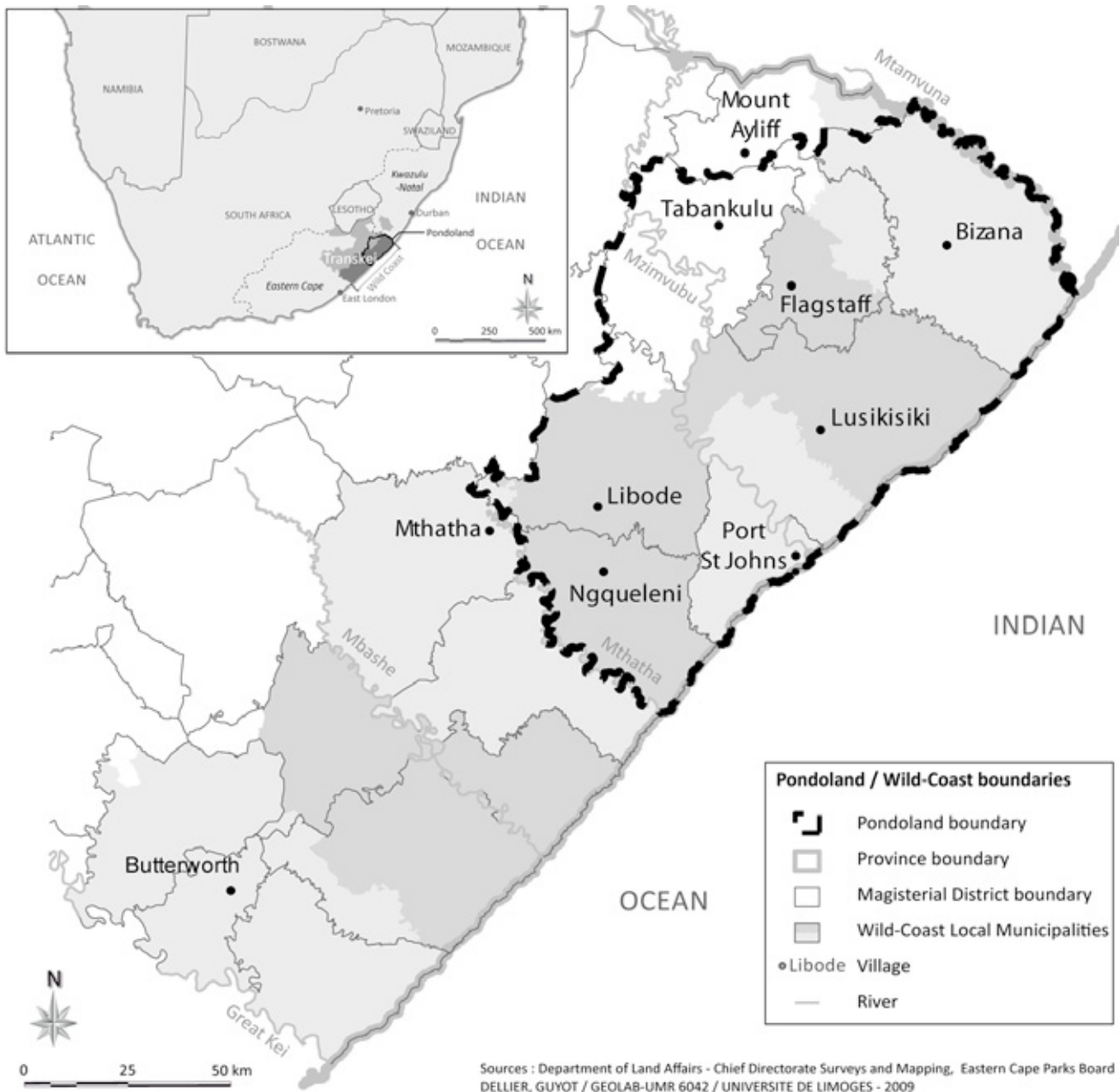
This Mpondoland region offered clear advantages for cannabis cultivation. First, the mountainous terrain formed a natural protective barrier against cross-pollination and unwanted attention of authorities for farmers' cannabis fields. In addition, compared to working in the mines, the small-scale production of vegetables and cannabis was a better economic strategy for many rural households. The environmental conditions, abundance of communal land, and low investment required gradually strengthened farmers' economic dependence on the cultivation of landrace cannabis.²⁰

Indeed, it is estimated that at the time about 9% of the rural population engaged in cannabis farming.²¹ These factors ultimately enabled rural households to improve their living standards independently of government support.²²

Essentially, the rural population succeeded in using cannabis for regional development. Most of Mpondolands' iconic homesteads were built in this period, and financed with income from selling cannabis. Besides seed and flower production, distribution to customers ensured a relatively equal spread of wealth within the individual cannabis communities.²³ This extra source of income enabled parents to send their children to primary school and, in some cases, to higher education. In fact, cannabis incomes even paid for teachers' English training, thus improving the general quality of education in the rural homelands.

From the 1950s, law enforcement became far more serious about cannabis prohibition, which led to extensive efforts to ban outdoor cultivation.²⁴ Although discussions about the

Figure 2. Map of the Mpondoland and the Wild Coast



Sources : Department of Land Affairs - Chief Directorate Surveys and Mapping, Eastern Cape Parks Board DELLIER, GUYOT / GEOLAB-UMR 6042 / UNIVERSITE DE LIMOGES - 2009

Source: Gray Simple Map of Mpondoland and the Wild Coast, by Semantic Scholar (2009): [semanticscholar.org/paper/Rethinking-the-Wild-Coast%2C-South-Africa%3A-vs-in-Guyot-Dellier/39adaado1884ea7f471bee62970008b9a9e66df](https://www.semanticscholar.org/paper/Rethinking-the-Wild-Coast%2C-South-Africa%3A-vs-in-Guyot-Dellier/39adaado1884ea7f471bee62970008b9a9e66df)

negative impact of the plant became slightly more nuanced, the eradication campaign remained primarily focused on Black and non-white citizens.²⁵ Although most repressive strategies for the so-called ‘dagga problem’ proved ineffectual, enforcement became stricter.

In the Mpondoland area, increased repression included (youth) detentions, arbitrary midnight raids, torture, confiscation of vehicles, suspending driving licenses, barring

trade routes, propaganda campaigns, and massive crop eradication.²⁶ The burning of cannabis harvests was gradually replaced, first by dispensing herbicides using hand-held pumps, and later by the more aggressive strategy of using helicopters to spray the agrichemical Kilo Max, containing carcinogenic Glyphosate Sodium salt, over cannabis fields.²⁷ Not only their cannabis plants but also the farmers’ vegetable plots were destroyed, and their livestock died from polluted drinking water.²⁸

During these interventions, cannabis farmers and traders were often portrayed as hardened criminals who possessed expensive houses, cars, and livestock. Although cannabis cultivation clearly fuelled economic progress in this era, local sales only marginally supplemented farmers' basic income.²⁹ By suggesting that cannabis farmers were rich and seasoned criminals, these racially marginalising eradication campaigns were maintained until 2016 when, under pressure from civil society and the World Health Organization (WHO), the sprayings finally ceased.³⁰

A New Dawn for Cannabis

From 2000 a changing attitude has emerged towards cannabis for medical purposes and subsequently with the legislation of recreational cannabis in an increasing number of states in the United States, and in Uruguay and Canada. The slow dismantling of criminalisation and the introduction of less protectionist cannabis regulation encouraged more governments to undertake a critical review of their drugs policies.³¹ In South Africa, a growing pressure from civil society coincided with a high financial burden of ineffective law enforcement which led government to investigate alternative strategies to deal with their cannabis economy.³² Kickstarted with the Eastern Cape Hemp Pilot Project Initiative in 1994, which explored the potential of small scale hemp farming in the Dagga Belt region, more focus was given to the versatility of the cannabis plant for industrial applications and later as registered medicinal products. These factors culminated in the changing image of cannabis and its potential tool for sustainable economic development.³³⁻³⁴

Although the full revision of South Africa's cannabis policy towards a regulated market for recreational cannabis is slow, there have been important recent advances. First, in 2016, the

forced crop-eradication operations ended. Then, in 2018, a case initiated by cannabis legalisation activists before the South African Constitutional Court led parliament to amend the unconstitutional aspects of the Drugs Act and the Medicine Act.³⁵ The court ruled that the Acts' prohibition of the use, possession, purchase or cultivation of cannabis for personal consumption by an adult in a private dwelling were inconsistent with the right to privacy as guaranteed by section 14 of the Constitution. Applying to cannabis both for recreational and medicinal use, this judgment led to the formal decriminalisation of the use, possession and cultivation of cannabis by adults in their own private domain. Further, the government was instructed to amend these constitutional defects within 24 months, which resulted in the proposed Cannabis for Private Purposes Bill.³⁶

This bill, designed to allow for private adult consumption, was introduced in 2020 and is currently in final consultation round. During the past three years, the setup of the bill has transformed significantly. The bill initially aimed to regulate both the supply and demand sides of the cannabis and hemp value chains and retained an arbitrary punitive character. This virtually unenforceable approach sparked extensive public debate and the subsequent consultation rounds compelled policymakers to simplify, streamline and specify the regulations regarding adult-use, cultivation, possession and transport of cannabis. Currently being in its final stage, the Cannabis for Private Purposes Bill is planned to be finalised before the presidential elections of 2024. After a decade of prohibition, cannabis is then finally bound to be removed from The Drugs and Drug Trafficking Act.

Alongside this process, in 2020 the National Cannabis Master Plan was published. This working document firmly expressed government's ambition to establish an inclusive cannabis industry to support economic development, job creation, and

poverty alleviation. This intention made government explicitly accountable for supporting the rural population in developing beyond their subsistence economy. Where the traditional cannabis economy is the backbone of the nation's dagga production and deserves much more attention, the 'modern' side of the industry has been rapidly expanding since 2018. Since cannabis was recognised as a medicinal and agricultural crop, 100 medicinal licenses and more than 370 Hemp Permits were issued.³⁷ Over 200 cannabis social clubs for recreational adult-use have 'unlawfully' opened during this period.³⁸ To date, however, none of these initiatives has provided a basic income for rural smallholders. This shows that the current licensing system in general has yet to realise an inclusive cannabis industry in the economically fragile Dagga Belt.

In the Shadows of Prosperity

Viewing the rapid expansion of the capital-intensive side of the cannabis industry, it is tempting to ignore the broader issues.

As well as the earlier criminalisation of the Eastern Cape legacy farmers, the demand for their traditional landrace cannabis has been declining since 2013. Indeed, the heyday of traditional cultivation seems to be over, as most cannabis-based income for rural smallholders has completely evaporated since 2020. It has become increasingly difficult for farmers to commit resources, time and effort to its cultivation in the absence of guaranteed sales. In 2022, a household survey showed that, on average, rural cannabis farmers in Mpondoland had not had any customers for 22 months. There are various reasons for this change in the market.

First, since the 2018 landmark decision of the Constitutional Court decriminalising private adult use, possession and cultivation, there has been a rapid increase in the number of people growing cannabis for their own consumption across South Africa. In the absence of exact data on its magnitude, it is clear that self-cultivating users have challenged the economic resilience of legacy farmers.

Figure 3. Overview Photograph of Dagga Communities in Mpondoland



Source: A UFSN photograph taken in Lusikisiki Local Municipality (January 2023)

The Mpondo Landrace

Landrace cannabis refers to a group of relatively stable cannabis strains that have been naturally selected and adapted to their climatic environment over centuries. Traditional cannabis cultivation in the Dagga Belt has produced a stable plant type (often referred to as ‘the Mpondo’ or ‘Nsanga’), whose unique cannabinoid profile and strong resistance to pests and drought make it superior.³⁹ These plants are well-adapted to the South African climate, have the least impact on the natural environment, and form a vital contribution to the country’s genetic diversity. This makes landraces valuable for a country’s competitive strategy in the global cannabis industry.

In line with the global trend, however, the introduction of hybrid strains and industrial agriculture has led to the displacement and extinction of many landrace strains. By protecting and cultivating these strains, indigenous communities who have long relied on them for medicinal and spiritual purposes can be honoured. In this regard, the South African government could take the recent efforts of the National Institute of Agriculture in Morocco as an example, where landrace-focused research and registration are underway.

Second, the decline in market demand for landrace cannabis is caused by the change in consumer taste towards high-grade cannabis. Whereas during prohibition, most users were satisfied with landrace cannabis (THC content 2.5–8%), the recent introduction of feminised cannabis seeds from abroad has increased the popularity of more potent strains. Currently, the hybrid strains Exodus Cheese (+/- 16% THC) and Sunset Sherbert (+/- 18% THC) are the most popular, and have directly outcompeted the local landrace strains in the adult recreational market.⁴⁰

With many younger people entering cultivation and cloning with these popular strains, the abundance of cannabis flower on the market has also led to a sharp drop in price. For instance, since 2018, the price of urban-grown high-grade cannabis has fallen by about 81%, from R80 to R15 per gram.⁴¹ The price of rurally grown high-grade cannabis has also fallen by about 83%, from R30 to R5 per gram.⁴² Consequently, the price for landrace cannabis has dropped by 79%, from R0.18 to R0.04 per gram.

With this fierce competition, the economic survival of traditional landrace cannabis in an unprotected market has become virtually impossible.

A final factor in the declining market demand for landrace is the illegal dumping of cheaply produced high-grade cannabis on the adult-use market by licensed producers of medicinal cannabis.⁴³ Although as yet there have not been any lawsuits surrounding this illegal practice, there have been initial police raids on medical facilities, storages and dispensaries.⁴⁴ This so-called diversion seems to be increasingly frequent as the police intercept large batches. Many farmers are becoming intermediaries between licensed facilities and adult consumers. It is no wonder that medicinal cannabis flower finds its way to the streets due to the high financial burdens to which this leakage functions as counterweight. Regardless of the reasons, the overflow of legally cultivated cannabis from industrial facilities now illegally sells for less than R20 a gram and has thus also reduced the market share of rural legacy farmers.

Figure 4. Typical Physiology of the Female Plants of the Mpondo Landrace Strain



Source: Simon Sperring (May 2022)

What about the Losing Side?

With the rapid emergence of new medicinal and hemp companies, it is easy to ignore the appalling economic conditions on the losing side. When the market demand for dagga produced by the 60,000 rural legacy farmers disappeared, their living standards are also deteriorating. Despite the government's promises regarding the economic potential of cannabis, current market conditions have led to the sharp drop in incomes, pressing food insecurity, growing hunger, additional burdens for lone female farmers, increasing school dropouts, and persisting child labour. Essentially, these issues reveal a process of 'reversed rural development' against the

backdrop of the emerging legal cannabis industry.

As one farmer put it:

'Our lives were better when the police were sending the helicopters and spraying our fields with poison. Can you please bring back the helicopter?'⁴⁵

In their quest to find customers, farmers now have to transport cannabis beyond their communities. Although this seldom results in any sales, it exposes them to the threat of being arrested. Given that most farmers are unable to sell their produce, valuable cannabis, weighing hundreds of kilos,

accumulates in homestead kitchens and is increasingly burned. Since 2020, this waste of resources has forced farmers to cut their production by up to 60%. The current volume of wasted cannabis flower is estimated to be around 1,800 tons of the 3,000 tons produced annually.⁴⁶

Without focused government support, traditional cultivation practice is on the verge of disappearing. Landrace cultivation is based on knowledge and practices developed by indigenous communities over generations of living in their environment, providing them with stable livelihoods. Although these traits classify the cultivation practice as an Indigenous Knowledge System (IKS), it is currently not officially recognised as such.⁴⁷ If its unprotected status remains unchanged, traditional cultivation practices will fall victim to competition and disappear permanently. A further pressing concern is the potential loss of regional landrace genetics. To understand the gravity of this threat, it is important briefly to discuss the unique qualities of Mpondoland's landrace cannabis.

Although this strain has not yet been officially registered, it is a highly valuable asset for modern cannabis breeding⁴⁸ and the balanced cannabinoid and terpene profile of the landrace strain is highly regarded for its medicinal applications.⁴⁹⁻⁵⁰ Medicinal stakeholders even suggest that the landrace strain could be used as a domestically produced plant-based alternative to the antiretroviral Marinol (Syndros), which could help mitigate the side effects of HIV, AIDS, Cachexia, and chemotherapy.⁵¹

The landrace may also contribute to the adult-use and industrial sectors. The strain is valued for its light and energetic effect and interesting cannabinoid profile (3.2% THC, 0.4% CBL, 0.3% CBD, 4.2% CBG and 3% CBN).⁵² Given the ongoing debate on public health and government's cautious stance, the light potency of the landrace strain could be a valuable asset to counter the prevailing trend of high-THC strains, with increased risk for mental harms.⁵³ Although the strain is not yet commonly used for industrial fibre products and carbon sequestering schemes,

Figure 5. Traditional Household Kitchen of Mpondoland Farmers



Source: Tijmen Grooten, taken during fieldwork in Ntabankulu Local Municipality (March 2022)

Promising Signs

In September 2022 the Constitutional Court ruled that children caught using cannabis will no longer be criminally prosecuted.⁵⁴ This was a first step towards preventing the negative effects of punitive measures on cannabis use. In the latest consultation round on the Cannabis for Private Purposes Bill of October 2023, the balancing of children's protection and their involvement in traditional cannabis cultivation is more at the centre of the debate. In its most up to date form, the bill would allow children to assist their parents in the cultivation when adults are legally permitted to cultivate cannabis. The dealing of cannabis by minors will still be regarded as a criminal offence to which no exceptions will be made traditional farming households.

In February 2023, the Eastern Cape premier, Oscar Mabuyane, announced plans to expunge the criminal records of past cannabis offenders (both farmers and users) in the province.⁵⁵ The decriminalisation of cannabis farmers and users is a critical precursor to enabling inclusive commercialisation. This point has also in detail been included in the latest version of the Cannabis for Private Purposes Bill and is likely to become a permanent part of the first cannabis law in 2024.

In March 2023, as an addition to the Cannabis for Private Purposes Bill were proposed including the exemption of the Mpondo landrace strain from the international THC-threshold of 0.3% for industrial products. Although this clause was later removed from the bill because it extended beyond the bill's focus on personal use, this is a crucial element for the future bill regulating the commercialisation and trade of the plant. Especially, because it would allow the landrace to be used for industrial and possibly medicinal purposes. Together with the proposal to register of the traditional strain as hemp, these are two important tools to meet the preconditions to employ the economic potential of legacy farmers in the coming years.

these markets are expected to grow steadily in the coming years.⁵⁶ Exploring the South African strain's unique potential would link a growing demand to the rural subsistence economy.

Despite all this potential, the fact remains that smallholder farmers in the Dagga Belt are currently the sole seed producers of this particular landrace strain. With up to half of their harvest consisting of these seeds, the survival of these genetic profiles depends on the fading practice of legacy farmers. Rural smallholders are essentially the custodians of the valuable landrace genetics, with the seeds representing their cultural heritage.

We are reaching a critical point, and time is running out. In the absence of urgent protective measures, the disappearance of the subsistence practice and the South African seed genetics is inevitable.

In view of these trends, it is evident that the political goals and economic reality of the inclusive cannabis industry are completely misaligned. Currently, the swift entry of capital-intensive stakeholders in the market offers no apparent benefits for legacy farmers in the historically underdeveloped rural areas. In retrospect, given 40 years of neoliberal economic development, the discrepancies characterised by limited access to capital,

land, infrastructure, and technology should have been anticipated. Perhaps it is not too late to argue that, rather than prioritising foreign investors, the national government should first focus on supporting its traditional cannabis farmers.

The Phakisa Action Lab

It is useful to look at the latest policy developments. Since 2018, policymakers seem to be gradually gaining a more realistic and critical understanding of the dynamics of the cannabis economy. Recently, in June 2023, the Department of Agriculture, Land Reform and Rural development and the Presidency organised the Hemp and Cannabis Phakisa Action Lab in Johannesburg. The term 'Phakisa' is Sesotho for 'Hurry Up' and refers to a short period of focused and urgent discussions to accelerate policy reform in an industrial sector. As one of the 14 priority sectors, the Cannabis and Hemp sector was subject to the latest Phakisa action and aimed specifically to increase whole-of-government policy coherence and to establish a supportive collaborative agreement with key stakeholders. Through the Phakisa Action Lab, the government has finally taken the first steps towards prioritising the Hemp and Cannabis sector.

The Phakisa Action Lab brought together 129 high-level stakeholders representing government departments, legal firms, traditional leadership, business, labour unions and civil society organisations (CSOs). Although sources are confidential, its outcomes not yet clear and policy implementation still to be seen, various stakeholders indicate that the Phakisa Action Lab has injected renewed energy into the process of cannabis policy change. In particular, a set of 19 foundational policy principles upon which all stakeholders agreed is an important milestone. According to insiders, these principles provide a

clear direction for policy reform and have strengthened the political capital and institutional arrangements for inclusive cannabis policy in the long run.

Among these principles is an increased focus on the indigenous legacy farmers in rural areas and has brought them closer to the centre of the political debate. To illustrate this, the policy principles acknowledge rural subsistence farmers as primary producers and the value of their endemic landrace genetics and indigenous knowledge. These topics are interrelated, because conserving the body of indigenous knowledge also entails the conservation of the corresponding landrace. Also, the past criminalisation of subsistence farmers is recognised. With a renewed sense of urgency, their limited market entry has again been emphasised. The clearer directive proposed for the South African Police Service to reduce the arbitrary arrests of cannabis possessors and respect their constitutional rights is a crucial step towards fair law enforcement.

Over and above important practical matters, such as increased focus on data collection and the re-prioritisation of budgets through the Industrial Development Corporation, the Action Lab also introduced a more realistic tone regarding the potential of cannabis. This is seen in the government's recognition of the persisting legislative ambiguities, which explain the limited financial investment in the industry, along with the limited access of small-scale farmers to this capital. Rather than endlessly praising the potential benefits of cannabis, the government now acknowledges that surplus production by large corporations can lead to illegal dumping and threatens rural livelihoods. There seems to be a more strategic approach by proposing to balance supply and demand within the confines of a delimited market.

The approach to organising cannabis regulation has also started to see significant

change. For example, the removal of cannabis from the Drug and Drugs Trafficking Act, following its recent reclassification as a medicine, is a major advance towards creating legal business opportunities for rural farmers. Future regulations for cultivators will not revolve around THC thresholds or plant counting, but will be more centred on its end products, allowing legacy farmers to serve diverse markets. This links to farmers' ambitions to diversify beyond the local recreational market. To strengthen this, a 'whole plant approach' has been formulated as a policy principle. This would allow farmers to use a single plant for multiple purposes and help to diversify the potential sources of income. These principles have laid the

foundation for cultivation 'of non-medical cannabis' as a long-term goal.

A last exciting topic of discussion is the introduction of Regulatory Sandboxes, which are temporary legal arrangements to bridge current legal inconsistencies and gaps. The current lack of policies to include traditional cannabis farmers could potentially be resolved using such a Sandbox. Various stakeholders have welcomed this concept because it could offer rural legacy farmers a platform to link their familiar practices to the regulated cannabis market before the new legislation is finalised. This room for manoeuvre might result in pilot projects trialling supply aggregation for legacy farmers upon which

Points overlooked by the Phakisa Action Lab

- Despite inviting a wide array of stakeholders to the Phakisa Action Lab, the group most affected – the rural subsistence farmers – were neither invited nor adequately represented. The Phakisa's highly political nature contrasts with the inclusive policymaking it advocates so fiercely. Civil society organisations stress that while farmers have consistently voiced concerns about commercial exploitation and corporate capture, their political engagement has not been prioritised.
- One of the Phakisa's policy statements reads: 'Address historical injustices related to cannabis arrests, prosecutions, and incarcerations'. While crucial, this raises the question of the extent to which justice will rectify the repercussions of systemic criminalisation, including midnight raids, torture, imprisonment, childbirth in jail, and families being murdered for cannabis cultivation. Given this violent history, restorative justice should begin with fair compensation or, at the very least, a public apology to past policy victims.
- A last important aspect unaddressed in the Phakisa documentation is the role of children in the rural cannabis economy. Despite regulations stipulating that cannabis be kept out of children's sight, they are currently a significant workforce in the cultivation process. It remains a challenge to balancing the transmission of cultivation knowledge to the younger generation, the economic survival of livelihoods, and safeguarding minors from exposure to cannabis. Fortunately, this complex debate is firmly addressed by CSOs during the last consultation round of the Cannabis for Private Purposes Bill.

government can base its regulation of small scale cultivators. Within such a Sandbox, possible agreements between small-scale farmers and private-sector stakeholders are back on the table, along with renewed discussion on research and proper regulation of cannabis for traditional and religious use. With various groups now spreading false information about the legal limits of the Sandbox methodology, the presidential project- and legal team should act promptly and communicate clear guidelines for how the formal procedure will be organised.

Facing the Invisible Barriers to Smallholder Inclusion

The inclusion of resource-poor legacy farmers and the associated cultural and biological losses have still not been adequately addressed or at least not translated into concrete policies. To date, smallholders have no legal options to commercialise their landrace cannabis. Simply put, there is a legal void still prohibiting the use of landrace cannabis for medicinal, industrial, and adult-use products. As a result, provinces and local municipalities signalling opportunities of legal cannabis commercialisation to farmers without appreciating the complexity of policy revision on the national level. Within this process, CSOs representing rural smallholders, also face a constant battle against legal and bureaucratic barriers. The untransparent publication of the latest version of the Cannabis for Private Purposes Bill in the final consultation round of October 2023 is a striking example of this cumbersome process. If the policy principles drafted in the Phakisa Action Lab do not result in transparent and specific legislation targeting smallholders, increasing pressure on the government can be expected.

In addition to the absence of regulations enabling smallholders to enter the market, there are other factors hindering their participation. Most notably, South African

cannabis legislation has adopted an approach that promotes a neoliberal organisation of the cannabis industry.⁵⁷ The legal structure heavily relies on Canadian cannabis policy, which strongly advocates export-oriented production, unchecked competition, and a profit-driven industry geared towards large-scale and capital-intensive companies. If the cannabis value chains in South Africa follow this trend, viable business cases for smallholders cannot be expected to appear automatically.

Furthermore, the large-scale commercial and technological sophistication of the Canadian industry does not align with the South African reality, where rural smallholders require access to the formal market. The preference given to corporate stakeholders thus directly challenges the economic integration of legacy farmers.⁵⁸ Similar to the global trend, the increasing economic opportunities for capital-intensive players in South Africa have increasingly overshadowed the traditional modes of cannabis cultivation. Consequently, the high financial barriers to licensed cultivation perpetuate economic inequalities, increase food insecurity, and contribute to rural poverty.

This demonstrates the conflict between using cannabis as a tool for free-market economic progress and the political ambition of including smallholders. To achieve the goals outlined in the Master Plan and safeguard economic opportunities for legacy farmers, the South African government needs to allocate financial resources and protect them within the capitalist-dominated system. Looking at the more advanced Canadian cannabis industry, even large cannabis corporations struggle to survive due to overproduction.⁵⁹ With legislation still under formation and smaller-scale businesses now gaining ground, South Africa may learn from this trend and still prevent a full corporate capture of the cannabis industry. Instead of preferential terms for the corporate

Figure 6. Storage of Surplus Dagga due to Current Market Conditions



Source: Tijmen Grooten, Ntabankulu Local Municipality (March 2022)

cannabis industry, new policies need to create preferential conditions for traditional cannabis growers.

Another negative consequence of the faith in free-market dynamics is the significant gap between political promises and economic realities. Policymakers often lack a basic understanding of the cannabis plant and have rarely visited the impoverished cannabis valleys. As a result, until the Phakisa Action week, there has been a structural overselling of the potential of the cannabis plant and a lack of evidence-based policy.⁶⁰ Even basic statistics, such as the scarcity of empirical data on the production capacity or the total number of legacy farmers in the Dagga Belt, are lacking, unreliable and opaque.⁶¹ This uncertainty leaves policymakers guessing about the real need and impact of poverty-alleviating cannabis legislation, which is why such laws have to date not been proposed or effectively implemented.

As farmers spend their days on their sun-drenched cannabis plots piling up unsold dagga, their involvement in the political process remains marginal. Factors such as their remote geographic locations, the inaccessibility of public roads, absence of cell phone and internet connectivity, high levels of illiteracy, and the fact that policy documents are not translated into the Xhosa and Zulu languages, contribute to this lack of engagement. These factors explain the lack of political participation among farmers, which has hindered the formulation of an appropriate and inclusive cannabis policy.

This ties in with challenges of farmers' representation. Most farmers work individually given the historical illegal status of their cultivation. Farmers indicate that cooperatives may offer important advantages but can only work properly if sufficient trust and interdependence of their members exists.⁶² A recent meeting of the

Mpondoland farmers in October 2023, where farmer representatives were elected for each municipality, is an important step within this bottom-up process. These representative groups of farmers can be capacitated by local CSOs which promotes a participatory and endogenous development process. Although there is a growing number of self-organising farmers' groups, their functioning is impeded by the lack of formal guidelines on how to establish effective cooperation. Policymakers acknowledge this fact and admit that, as a consequence, only well-connected farmers have received basic agricultural support.⁶³

Civil society organisations, such as the Umzimvubu Farmers Support Network and the Abalimi BoMya Association, represent the perspectives of Mpondolands' dagga farmers in public consultations, serving as crucial intermediaries, aiming to increase farmers' lobbying power and promote inclusiveness in the policy process. As principal aim, these organisations link farmers and support them to form self-organised cooperative groups which strengthen their economic viability and political self-representation. This targeted consultation leads to grassroots analyses of their most urgent needs, which are political representation, economic opportunities, food security and basic infrastructural development. Although legacy farmers are increasingly central in the political agenda, the incomplete legislation has so far prevented their cooperatives from commercialising their traditional cultivation.

In summary, without the immediate implementation of the policy principles of the Phakisa Action Lab, there will be rapidly increasing poverty across the Dagga Belt. Facing this harsh reality might be uncomfortable, but it is vital to understand the urgency of the matter. The good news is that it is not too late. Indeed, there is enormous economic potential in reviving and innovating the production of landrace cannabis in rural South Africa.

Fields of Opportunities

When discussing the potential of smallholder cannabis in the Dagga Belt, it is important to first quantify its current and potential production capacity. The household survey conducted in April 2022 indicated that each cannabis-producing household in rural Mpondoland has three plots with an average size of about 9,360 m². Multiplying this plot size by the estimated 60,000 farmers in the region results in a total cultivation area of approximately 56,160 hectares. With an annual harvest of 75 kg of landrace flowers per household, this comes to a total of 4,485 tons of cannabis produced by the Mpondoland farmers. While the production capacity of the entire Dagga Belt may be higher, this calculation is a useful and conservative estimate.

Consultations with legacy farmers and industry stakeholders indicate that landrace cannabis can be used for a wide variety of products, catering to a diverse market combining the medicinal, adult-use, and industrial sectors. Diversifying revenue streams seems to be the most strategic future scenario for rural legacy farmers. Although the application of landrace cannabis for multiple products across these sectors would be the most valuable in financial terms, it is legally still impossible. This is mainly owing to the lack of cultivation licenses for adult use and the THC scheduling of the landrace cannabis impeding it from being used for industrial and medicinal purposes. Since a diverse market is thus still hypothetical, its relevant to focus on the main potential of landrace cannabis.

Regardless of the possible market demand pathway, as parts of the value chain are referred to by government, it seems that only the implementation of a protective scheme like an Appellation of Origins on geographical and genetic markers or a certification of origins of landrace-based products can safeguard against further erosion of the

traditional farmers' bargaining power.⁶⁴ One viable strategy would be to legally oblige companies to source a share of their cannabis from small-scale producers. In regard of such out-grower models, the South African government would be wise to consult the lessons from other countries' attempts to include legacy farmers in the legal value chain.

Medicinal use of landrace cannabis

In relation to the medicinal market, as stated earlier, the Mpondo landrace has been used in traditional medicine for centuries.⁶⁵ While the relatively small market for this unlicensed form of medicine does not offer a viable business model for legacy farmers, the long-standing traditions warrant further exploration of its medicinal properties. Although licensed medicinal facilities technically have the ability to collect and process landrace cannabis and incorporate it into their production processes, this practice is not straightforward.⁶⁶ In short, the

application of landrace cannabis for clinically tested medicine in the short term is impeded by legislative barriers, including compliance with the European Union Good Manufacturing Practice (EU GMP) standards maintained by the South African Health Products Regulatory Authority (SAPHRA), as well as intense international competition.

Despite these challenges, there is a growing interest in the medicinal properties of the landrace strain. Scientific research suggests that the Mpondo landrace possesses various healing qualities.⁶⁷ However, currently, there are no mechanisms to ensure that potential future market demand for medicinal landrace cannabis will economically benefit the legacy farmers.

Adult use of landrace cannabis

The landrace strain offers the potential to create a wide variety of products for recreational purposes. While the market share for crude landrace flower is evaporating and unlikely to fully recover, there are numerous

Figure 7. Initial Designs of Quality Mark for Landrace-based Products from Mpondoland



Source: UFSN, (January 2023)

alternative products that could be marketed in the long run. Without the need for drastic adjustments to traditional cultivation practices, small-scale manufacturing of pre-rolled joints, hashish, oils, rosin, and edibles presents an unexplored economic opportunity. These high-value products are appealing for the Dagga Belt because they require minimal infrastructure and technological innovation. Furthermore, by revitalising the traditional landrace strain, it is possible to counterbalance the Eurocentric nature of the industry. This would distinctively position South Africa on the international stage by using cannabis for rural development. The numbers are impressive, so it is worth looking more closely at what legacy farmers can offer the recreational adult-use market.

Data collection during fieldwork in the Dagga Belt region showed that the average harvest from a Mpondoland household can be converted into 2.62 kg of hashish, 3 kg of Full Extract Cannabis Oil (Feco), or 74,750 pre-rolled joints annually. For the entire region, this amounts to 157 tons of hashish and 179 tons of Feco. To put it into perspective, this volume would far exceed the total consumption of the country's 18 million cannabis consumers. Not only this, but this level of production has the potential to transform the subsistence economy. Requiring minimal investment, these products could compete with indoor-grown cannabis from high-tech facilities. Even if it is sold more cheaply, this new range of landrace-based products could alleviate the immediate economic stress facing legacy farmers. Lastly, the expansion from cultivation to processing could also generate positive economic spin-offs.

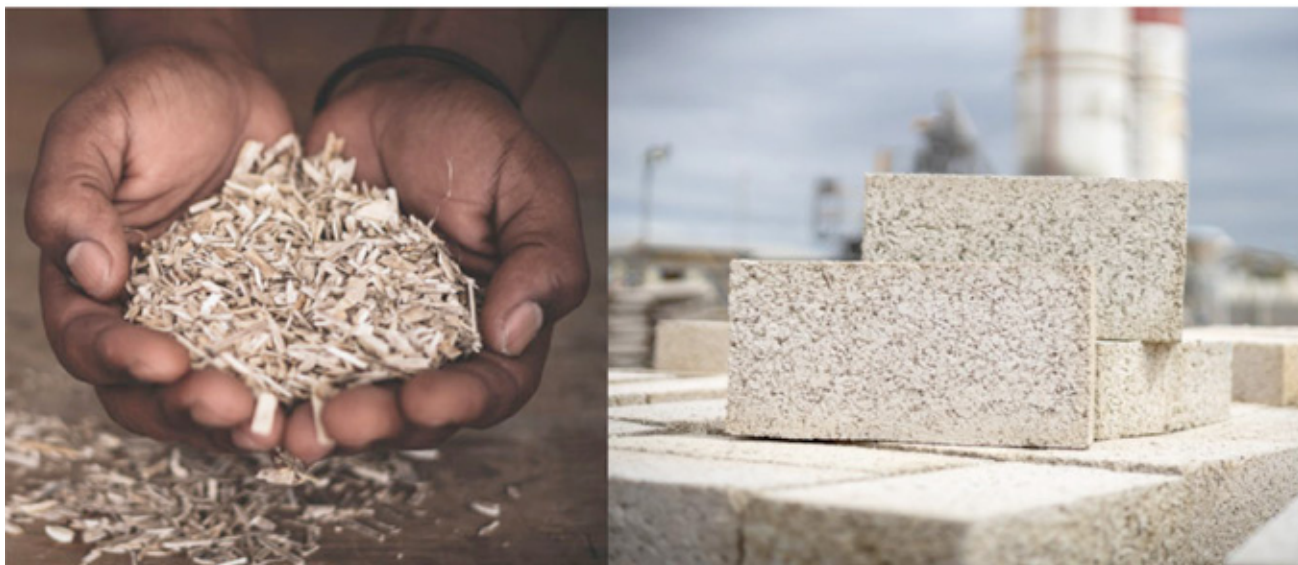
Another positive aspect is that the adult use market could play a crucial role in promoting landrace genetics. As discussed earlier, it would be problematic if this cultural and biological heritage were to disappear. Producing landrace-based products is one of

the most direct ways to ensure the survival of these strains. The Umzimvubu Farmers Support Network has already anticipated this concept by developing initial designs for a quality mark specific to this product line.

The implementation of a protected designation of origin could provide significant added value, protecting the use of Mpondo seeds, enhancing their reputation and ensuring economic benefits for legacy farmers. This would logically place more emphasis on 'ethical consumerism' or branding based native cannabis strains and traditional cultivation techniques. Such a scheme would not only connect farmers' familiar cultivation to markets but would also make it possible to factor in the high costs and carbon footprint of indoor greenhouse production. As the CSO Fields of Green for ALL has frequently proposed, such an Alternative Development programme could combine cannabis community empowerment with respect for the traditional knowledge and cultural expressions of cannabis production.⁶⁸

For now, however, this is a utopian scenario, at least in the short term. Clearly, legacy farmers can benefit from the adult-use market only if legislation and regulation allow for and prioritise the cultivation and trade of landrace cannabis. With the slow progress on the sole cannabis bill and the recent closure of all cannabis social clubs, this prospect remains on the distant horizon.⁶⁹ However, in a Regulatory Sandbox construction one could imagine pilot projects to supply the recreational adult-use market and provide a preferential advantage for legacy farmers. These communities have suffered under the prohibitionist regime for decades, and reparations in the form of preferential economic opportunities are the least a social justice-oriented policy should offer. If political action is taken now, legacy farmers can enjoy its fruits in a few years' time.

Figure 8. Cannabis Hurd and Hurd Pressed into Hempcrete Blocks as Building Material



Source: Afrimat (2023)

Industrial use of landrace cannabis

On a positive note, of the three cannabis sectors, the industrial market seems to hold potential for creating new economic activities for smallholders in the relatively short term. First, this potential consists of the global shift towards bio-based building materials, in which cannabis stalks are an important source material for a wide range of products, including building materials. With their superior strength, biodegradability, thermal conductivity, fire resistance, and carbon-sequestration properties, cannabis stalks are poised to shape the future of construction.⁷⁰ In light of this development, the demand for hemp-based building materials is expected to grow significantly in the coming years.⁷¹ For smallholders to benefit from this market expansion will depend on the legal rescheduling of the Mpondo landrace as industrial hemp and whether its supply aggregation can be organised in a legal Sandbox.

If actively pursued, such an approach would enable legacy farmers to continue their current cultivation practices while also

offering a new range of products to the construction industry. Of particular interest are the non-THC-containing landrace stalks, which can be ground and pressed into hempcrete blocks. These blocks are excellent bio-based building materials, the global market for which is growing, including in South Africa. This presents an intriguing opportunity for rural cannabis-producing communities, as it requires minimal changes to their cultivation practices. By using low-tech mobile decorticators, even the most remote areas can process the source material into hempcrete blocks.⁷² This model becomes especially compelling given that all hemp used in South Africa is currently imported, while the landrace stalks in Mpondoland are either burned or left to rot.⁷³ In collaboration with the South African companies Afrimat and the Best Grow, farmers in Ntabankulu local municipality have already conducted the first successful experiments. The first bushels of dried landrace stalk from Mpondoland have already found their way to the processing facilities based in the Western Cape (see figures 9 & 10). While the stakeholders involved are now desperate to expand and formalise their value chain, they are forced to await legal approval.

Examining the numbers may help to understand the potential. The household survey conducted in 2023 showed that on average, a Mpondoland cannabis farmer produces approximately 7.7 tons of landrace stalks annually. This biomass has a significant sustainable attribute as it sequesters around 18.7 tons of CO₂ per year. While there is a need for further testing of stalk quality, the production capacity could represent to 338,301 tons of clean hurd being produced in Mpondoland. This annual cultivation would both store up to 1.1 million tons of CO₂ and have considerable monetary value. Even after deducting the costs of processing, transport, and retail, this production capacity is guaranteed to provide subsistence farmers

with a direct increase in income. These potentials represent relatively achievable goals, which should be exploited without delay.

In relation to building materials, we can also estimate the number of homes that could be constructed from Mpondoland's annual hurd production. By harvesting the raw material for 338 million hempcrete building blocks, Mpondoland could provide enough for approximately 147,000 Reconstruction and Development Programme (RDP) houses each year. It is worth pausing to reflect on the potential this holds for regional economic development, employment, and the provision of bio-based infrastructure.

Figure 9. Collecting of Landrace Stalks from Mpondoland for Testing of Decortication



Source: Simon Sperring, Lusikisiki Local Municipality (October, 2023)

Figure 10. Landrace Stalks from Mpondoland Tested for Mobile Decortication



Source: Simon Sperring, Western Cape (October, 2023)

With the appropriate focus on the necessary infrastructure and licenses, rather than wasting this potential South Africa could pioneer the use of cannabis to promote rural development.

Alongside international successes in poverty-reducing hemp cultivation in Nepal and Malawi, there is also a precedent in South Africa for involving small-scale producers in other parts of the hemp industry.⁷⁴ Since 1994, small and medium-sized enterprises (SMEs) piloted hemp cultivation for artisanal handicrafts, paper, pens, beads, bags, and haberdashery.⁷⁵ These low-tech spin-off businesses operated around small-scale production sites in Gqeberha, Mthiza, and Libode, providing smallholders with an additional source of income. At one

point, the Department of Agriculture even financially supported a shop in Johannesburg to commercialise these products. Although this form of Broad-Based Black Economic Empowerment faded away when government support ceased at the end of the hemp pilots, the success of smallholder engagement in fibre-based products has already been demonstrated.

In summary, what is commonly referred to as small-scale cannabis production presents significant economic, social, and sustainable potential. Clearly, an inclusive cannabis industry can be pursued through various strategies, including short-term and long-term opportunities. This suggests that a diverse smallholder market would be the most efficient way to establish a

rural development strategy, which starts by broadly commercialising the plants that are currently being cultivated. As for all cannabis applications, no economic opportunities will materialise without policies that give decisive priority to eradicating poverty, as all governments worldwide agreed to do when adopting the Sustainable Development Goals (SDGs).

Additional Alternative Livelihood Strategies

With so much focus on landrace cannabis as the engine for driving rural economic development, it is tempting to ignore other opportunities. Ultimately, preventing the further erosion of rural living standards is more important than just ‘saving’ the traditional cannabis economy. Legacy farmers agree with this and often say they are open to additional forms of economic activity alongside the cannabis sector.

Given the current market conditions and lack of inclusive policies for traditional cannabis farmers it is unlikely that they can survive solely on the basis of producing cannabis, and activities that can improve their economic resilience alongside improved conditions for industrial, medical and recreational cannabis also need to be explored. A good starting point is to consider marketable crops that are native to the Mpondoland region. The cash crops Xhosa Dreamroot (*silene capensis*), loofah, wild watermelons, moringa, bamboo, sceletium (or kanna), and geraniums are often mentioned as potential alternatives that could take advantage of growing markets and align with the region’s traditional small-scale agriculture.⁷⁶

From this perspective, the fate of the Dagga Belt population is taken out of the complexity of the cannabis value chain and situated within the broader discussion of sustainable economic development. This gives the

government the opportunity to take more proactive action through a wider range of conventional policy interventions. Well-known strategies such as basic agricultural support, incentives for crop improvement, market protection, subsidies, access to credit, and investment in rural infrastructure should be brought back into the discussion. As the authorities seek to fulfil the historical debt of social justice there is no need to wait any longer. Such an approach should therefore be considered alongside the slower developments in cannabis policy.

Finally, sustainable cannabis tourism (‘cannatourism’) is being discussed as an alternative livelihood strategy in Mpondoland. Cannatourism involves experiences of legal cannabis culture as a means to revive and preserve traditional cannabis cultivation. Already 29% of global travellers have expressed interest in such an experience.⁷⁷ Farmers and traditional leaders are also positive about embracing cannatourism in Mpondoland. With an interest in sharing their way of life and showcasing their cultivation practices, rural communities see tourism as a possible way to regain interest in their produce.

Policy Recommendations

To guide policymakers in how to advance the inclusion of smallholders in the South African cannabis industry, the following recommendations may be considered:

1. *Drafting and implementing a special smallholder regulation.*

The national government should draft coherent and comprehensive legislation integrating the illegal South African cannabis economy into a regulated framework. This entails legalising the cultivation, possession, trade and transport of cannabis produced by smallholder farmers, putting an end to their cannabis-related arrests and providing farmers with preferential options for legal products in the medicinal, industrial and recreational adult use markets. The foundational policy principle of the Phakisa Action Lab, particularly the Sandbox methodology, should be taken as guideline to employ cannabis for rural development. Instead of preferential terms for the corporate cannabis industry, new policies need to create preferential conditions for traditional cannabis growers. These communities have suffered under the prohibitionist regime for decades, and reparations in the form of preferential economic opportunities are the least a social justice-oriented policy should offer.

2. *Matching political ambition to reality.*

The national government should bridge the gap between the political discourse about smallholder inclusion and its stagnating implementation. Streamlining the interdepartmental policy coherence and basic education of policymakers are important steps in this process. A follow-up study to further quantify smallholder cannabis production and its market demand is crucial in establishing evidence-based policy.



Source: Simon Sperring (May 2022)

To connect the current farming practices of legacy farmers to the regulated market, clear guidelines on forming cooperatives should be issued. The national government should also define the Dagga Belt as a priority region to provide basic agricultural support to subsistence farmers and the access to the necessary processing facilities for landrace cannabis. A basic element in increasing political capital is for policymakers to regularly visit rural cannabis communities to witness their marginalised position first hand.

3. *Create legal room for manoeuvre.*

The incomplete status of a regulating framework for cannabis impede smallholder directly to economically survive of the plant. The Regulatory Sandboxes as discussed during the Phakisa Action Lab could provide the required leeway to integrate the existing production of legacy farmers into the regulated market including pilot projects to supply the private recreational market to provide a preferential advantage for legacy farmers. The government could facilitate proposal-based pilot projects to explore landrace-based product development, testing and demand in all possible markets. There are multiple pilots already active in a market exploration stage and even product testing stage which link them to licensed corporations. Recent experiments illustrated that success of any such projects will need to build on traditional cultivation practices and now await legal approval.

4. *Focus on alternative development strategies.*

Besides cannabis, there are more opportunities for viable smallholder businesses that are suitable subsistence farmers. The exploration of growing niche markets for alternative cash crops is promising, such as Xhosa Dreamroot,

loofah, wild watermelons, moringa, bamboo, scelletium and geraniums. Cannabis tourism is another alternative market for which the Mpondoland region offers a range of economic opportunities. Basic agricultural and infrastructural support would also contribute to diversifying the revenue streams of rural livelihoods.



source: Pien Metaal (Mpondoland, May 2018)

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Endnotes

1. Tijmen Grooten is a development sociologist and graduate of Wageningen University. His research centres around the social impact of cannabis value chains in low- and middle-income countries. For his master's thesis he spent three months among indigenous cannabis farmers in the South African Eastern Cape to illustrate how their livelihoods have fallen into economic distress. With more than 100 participants, the research offers a wide overview of the Dagga Belt cannabis economy and quantifies illicit cannabis cultivation, contributing to the policy revision process.
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After a century of global prohibitive policies on growing, trading, and consuming cannabis, or dagga as it is more commonly known in South Africa, the last ten years have witnessed renewed interest in its medicinal, sustainable, and socio-economic potential. As a mayor cannabis-producing country, and one of the main actors in the 1920s to push for global prohibition in what was to become the current international control regime, the case of South Africa highlights both the high expectations and deep inequalities of the newly emerging legal cannabis industry.

This briefing paper focuses on Mpondoland, the Eastern Cape centre of traditional small-scale cannabis farming. It provides an overview of the changing dynamics in the national cannabis economy, with a specific emphasis on inclusive policies. It addresses the question of how to create the inclusive cannabis industry, 'serving the ordinary farmer' as envisaged by President Ramaphosa.



The Transnational Institute (TNI) is an international research and advocacy institute committed to building a just, democratic and sustainable world. Founded in 1974 as a network of 'activist scholars', TNI continues to be a unique nexus between social movements, engaged scholars and policy makers.

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TNI's Drugs & Democracy programme analyses drug policies and trends in the illicit drugs market. TNI examines the underlying causes of drug production and consumption and the impacts of current drug policies on conflict, development, and democracy. The programme facilitates dialogue and advocates evidence-based policies, guided by principles of harm reduction and human rights for users and producers.

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