South Africa is Positioning Itself as Rising Leader in Global Hemp and Cannabis Industry

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Media Statements

South Africa is establishing itself as an emerging leader in the global hemp and cannabis industry by utilising its natural strengths and the increasing momentum of the private sector. The country is transitioning towards a fully regulated, economically driven cannabis and hemp industry, focusing on harmonising laws, boosting local cultivation, and creating export opportunities – all while emphasising public health and safety.

In his 2025 State of the Nation Address, President Cyril Ramaphosa stated, "**We want South Africa to lead in the commercial production of hemp and cannabis**." This declaration marked a turning point in the national policy, indicating a shift from informal cultivation to regulated, large-scale production.

The National Cannabis Master Plan has been assigned to the Department of Trade, Industry, and Competition (**the dtic**) to centralise policy, accelerate implementation, streamline licensing, , and foster an inclusive commercial framework. The planting season for hemp and cannabis production has begun, with provincial Departments of Agriculture, growers, and downstream manufacturers collaborating on cultivation and export market opportunities.

Recent legislation, including the Cannabis for Private Purposes Act signed in 2024, lays the groundwork for legal cultivation and private use. However, commercial trade still faces regulatory hurdles, which are gradually being addressed. The commercialisation of hemp and cannabis in South Africa is advancing, with **the dtic** already consulting national and provincial departments, as well as industry stakeholders through preliminary consultation geared development of a commercialisation policy.

The Hemp and Cannabis Commercialisation Policy is expected to be ready for Cabinet approval and public comment by April 2026. An Overarching Cannabis Bill is also in development to unify existing regulations, including the Cannabis for Private Purposes Act, 2024. This Bill, which will cover private use, commercial cultivation, manufacturing and research, is set to be presented to Parliament by mid-2027.

In October 2021, the Department of Agriculture, declared *Cannabis sativa L.* with low THC (hemp) as an agricultural product under the Plant Improvement Act, 1976 (Act No.53 of 1976). This marked a major shift, allowing for regulated cultivation, import and export - provided growers obtained the required permits

Historically, South Africa had one of the strictest THC limits globally -just **0.2%**. But due to challenges like intense sunlight naturally boosting THC levels, a proposal was made to the Minister of Agriculture to approve the amendment of the threshold to **2% in terms of the Regulations of the new Plant Improvement Act 2018, (Act No. 11 of 2018) which is currently pending proclamation.**

This change is a game changer for farmers, making it easier to grow compliant crops and unlocking broader industrial uses, from textiles to construction materials. Medical cannabis is legal, with SAHPRA issuing 120 licenses for export and 1 408 cultivation permits issued by the Department of Agriculture, indicating strong government support.

As **the dtic** and chair of the IMC through the Minister of Trade, Industry and Competition, Mr Minister Parks Tau, the department has committed to support the industry through trade remedies, export opportunities, industry standards and compliance, combacting illicit trade and access to funding for the downstream activities.

Initiatives like **the dtic**'s Agro-Processing Support Scheme (APSS) offer grants of up to R20 million to stimulate investment in agro-processing, job creation, and transformation.

Through international trade missions and agreements such as the African Continetal Free Trade Agreement, **the dtic** is helping the South African producers access new markets globally, including markets in Africa, Asia, and the Middle East. The Director-General of **the dtic**, Mr Simphiwe Hamilton, has indicated that the export driven hemp and cannabis industry is key in the South Africa economy as it is one of the leading labour absorbing sectors within many rural communities.

The hemp and cannabis industry employs over 90 000 people in South Africa. Favourable climate conditions, rising demand for medicinal products, and initiatives like the National Cannabis Master Plan contribute to the sector's growth. Medicinal cannabis was legalised in 2017, with private use decriminalised in 2018, and the Cannabis for Private Purposes Act enacted into law by President Ramaphosa on 28 May 2024.

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