



Crispin Blunt MP
House of Commons
Westminster
SW1A 0AA

Baroness Zahida Manzoor
House of Lords
London
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Dear Crispin and Zahida,

***Recommendations for Government Engagement
with APPG for CBD Products and the wider CBD Industry***

Background

I am writing in my capacity as CEO of Tenacious Labs, Secretariat to the Westminster All-Party Parliamentary Group for CBD Products. The Secretariat is backed in turn by the Secretariat Advisory Board, which is an open forum of industry players with an agreed set of processes rather than a single entity.

Members of the Secretariat Advisory Board include the Medical Cannabis Clinicians Society (MMCS), the Cannabis Industry Council (CIC), the Cannabis Trades Association (CTA), the European Industrial Hemp Association (EIHA), the Scottish Hemp Association (SHA), the British Hemp Alliance (BHA) and the Cannabis Services Advisory Board (Jersey), plus some corporates totalling 701 UK businesses which is approximately 70% of all active cannabis related businesses in the UK.

In the last month alone we have also spent time in Scotland hosted by Food Standards Scotland, in Wales hosted by Aberystwyth University and in Jersey - where I also chair the government's official industry representative, the Cannabis Services Advisory Board.

Engagement

The response across the board in all jurisdictions from the civil servants, politicians, businesses, trade bodies etc. has been, and continues to be, universally positive, constructive, professional, responsive and sensible. The recognition that legislation and

regulation is both a necessity and an essential foundation to long term premiumisation is well understood, as are both the need for and benefits of getting the process right over time.

We explicitly welcome the Novel Food initiative and are now actively organised to contribute promptly and effectively to the series of important steps stretching out ahead.

Opportunity

Cannabis - from high protein biomass from marginal land for less flatulent cows, via moisturiser for a gardener's stiff hands and their arthritic dog, all the way through to the far more complex issues around the significant economic benefits from recreational THC and medical advances around MS and epilepsy - is a complex new industry.

Cannabis' worldwide turnover is expected to reach £69bn in 2026 from a pre-fully legalised level of c. £20bn today and expected to continue to growing by over 6% p.a. (faster in the premium segment). For comparison Whisky's worldwide turnover is steady at £69bn as of 2021 (although again showing growth in the premium segment).

The Scottish Whisky industry is a commonly used benchmark - although Cannabis will be far bigger for the UK economy and British Isles, it's a sensible starting point for the short and medium term. This long-term premium industry provides 42,000 permanent high-value jobs, the vast majority for people who don't necessarily want to go to university or move away from home, and 7,000 of the 42,000 even in deprived rural areas.

That this self-evident positive also comes with £5.5bn of trade per year, much of it international exports, makes it more attractive still. Cannabis is similar but potentially bigger.

Analysis

The UK is lucky enough to find itself in a peculiarly strong position to become the global powerhouse if there is the will to provide the framework. That is to introduce clear balanced inclusive processes around legislation and regulation, regarding updating POCA, consumer protection, quality standards, appropriate definitions and limits, research and development, banking, agriculture, insurance, London Stock Exchange listings and all the rest.

Everyone understands that economic benefits and consumer choice must tempered by consumer protection and taxation. No one involved wants to be seen to be standing in the way of employment, legislation that underpins a long-term premium position or national & international economic & health benefits. The Cannabis industry stands on the cusp of becoming something special in the UK, a once-in-a-generation chance to drive a new cycle of growth, investment and jobs.

Conclusion

An appropriate, transparent, genuinely industry-representative forum to work as a single point of formal contact with all of the necessarily interested parties is needed now.

Specifically one that can be asked by the UK government - together with and directly supported by the devolved governments - to provide a plan for the establishment of a timely and valuable new long-term premium Cannabis industry along similar lines to Scotch Whisky.

Recommendation

The next stage is then the practical one of building on the depth and breadth of work undertaken by multiple single-issue pressure groups - aggregating them into the legitimate single formal point of contact for the industry.

The Secretariat to the Westminster APPG for CBD Products, supported in turn by the established process directly including 70% of all active UK businesses, are prepared to take the lead as guided by and answerable to the properly constituted APPG.

The challenge is explicitly not in preferring the Secretariat Advisory Board's 701 cross-industry voices over others - however healthy a democratic margin the 70% gives - but how to structure the big tent for all.

Next steps

Co-Chairs seek a meeting with Kwasi Kwarteng and George Freeman to discuss potential ways forward.

These could include a consultation process built around the APPG secretariat (but offered here as one basis for discussion of establishing process of consultation) which would need to:

(1) establish terms of reference for the work required appropriate for completion by 21 July 2022

(2) the scope to be the feasibility and methodology of establishing the UK as the world market leader in the premium Cannabis Industry using Scottish Whisky as the benchmark

(3) the APPG to assess the parameters required, economic benefits and consumer protection

(4) where there are concerns, how mitigating measures can be easily introduced

(5) the APPG to seek public evidence from the full range of interested parties, concentrating first on industry proposals and second on the input of those who will be responsible for their action, including but not limited to the following -

(a) the full range of the broad industry - industrial, agricultural, whole plant, isolate etc.

(b) devolved governments - in particular Scotland and Wales

(c) Jersey, having under Home Office stewardship already started to introduce primary legislation

(d) Home Office

(e) DEFRA

(f) FSA

(6) in all cases including (a) to (f) above the APPG Co-Chairs will formally request meetings

with a clear mandate and purpose as the single official initiative

(7) all stakeholders to commit to attending (or membership as appropriate) the APPG on a monthly basis from May

(8) the Secretariat to establish and maintain a website on the APPG's behalf updated weekly from 1 May 2022

Regards,

Nicholas Morland

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