

Minutes of the 10th Meeting of the All-Party Parliamentary Group for Industrial Hemp and CBD Products

'Building the infrastructure for a vibrant UK industrial hemp sector'

Date: 13 March 2024

Time: 11:30

Location: House of Commons Committee Rooms, Palace of Westminster

Co-chairs present: Ronnie Cowan MP and Jeff Smith MP

Additional present: Lord Stone, Lord Mancroft.

1. Opening and Welcome:

- **Ronnie Cowan** opened the meeting, welcoming attendees to the 10th meeting and the Annual General Meeting. He announced the transition of the secretariat from Tenacious Labs to the Cannabis Industry Council (CIC), marking a significant organisational change.

2. Introduction and Overview by Cannabis Industry Council (CIC):

- **Mike Morgan-Giles**, CEO of CIC, introduced the council, detailing its three-year history and role within the cannabis sector including medical cannabis, wellness CBD, and industrial hemp, ensuring continuity with existing SAB members like Tenacious Labs.

3. Advocacy and Legislative Efforts:

- **Ronnie Cowan** revisited his recent parliamentary speech on the budget debate, expressing frustration over the lack of progress in hemp legislation and the ongoing barriers imposed by the Proceeds of Crime Act 2002, which risks freezing investor assets.

4. Addressing Infrastructure Needs for Industrial Hemp:

- **Jamie Bartley**, CEO of Unyte Group and co-chair of CIC, delivered a comprehensive speech on the infrastructural and environmental benefits of industrial hemp:
 - **Environmental Impact:** Highlighted the pressing need to retrofit 27 million properties in the UK, which contribute to 23% of the UK's carbon emissions. Stressed that 40% of new emissions come from new construction, underscoring the importance of transitioning to sustainable building materials like hemp.
 - **Hemp as a Sustainable Alternative:** Advocated for the use of hempcrete and hemp insulation, citing their carbon-negative properties. Detailed that buildings constructed with hemp materials could achieve net zero carbon by 2035—35 years sooner than those built with conventional materials.
 - **Agricultural and Economic Benefits:** Discussed how hemp cultivation does not require pesticides or insecticides, benefits soil health by breaking up soil compaction, and improves water quality by enhancing the soil's ability to retain water. Emphasised hemp's role in creating local jobs and boosting local economies through its cultivation, processing, and use.
 - **Call for Investment:** Called for significant investment to scale infrastructure to meet these needs, pointing out the UK's current shortfall in production capacity compared to EU and USA standards. Highlighted restrictive licensing conditions as a major barrier to industry growth.

5. Questions and Discussion:

- **Ronnie Cowan** raised concerns about the inadequate governmental financial support in retrofitting and the broader hemp market, despite the obvious benefits.
- **Jamie Bartley** responded by critiquing the market's focus on traditional metrics over sustainability, advocating for a shift to prioritise environmental impacts in material production.

6. APPG & Secretariat Activities Update:

- **Nick Morland**, CEO of Tenacious Labs, formerly secretariat to the APPG and now a member of the CIC, spoke on the APPG's increasing influence and recognition in public and media discussions. He addressed the group's evolution from focusing solely on CBD products to including industrial hemp. Nick outlined the media attention the group has gained, which now includes coverage in major financial publications and broadcasts, reflecting the APPG's elevated profile. He detailed the severe implications of the Proceeds of Crime Act (POCA), explaining how its broad application has created substantial barriers to business operations, leading to the closure of bank accounts without notice, and pushing companies to relocate financially to jurisdictions like Jersey to avoid severe banking restrictions.

7. Contributions from the Audience:

- **Catherine Wilson, Liam Donohoe, and Alfie Russell** provided insights from their respective positions in the hemp industry, discussing European market trends, the potential for hemp insulation, and personal experiences with restrictive banking practices.

8. Government Interaction and Sector Advocacy:

- **Jamie Bartley and Tim Henley** shared experiences of current support from government bodies, particularly highlighting how the Department for Environment, Food and Rural Affairs (Defra) has been notably supportive. Defra has been active in funding research into carbon credits and facilitating discussions around licensing, which contrasts with the more general bureaucratic resistance found in other departments.
- **Alex Sparrow and Marika Graham Woods** discussed specific governmental actions and proposed strategic amendments to the Proceeds of Crime Act to foster business operations.

9. Legal Perspectives:

- Lawyer **Ricardo Geada** and **Lord Mancroft** engaged in a detailed discussion on the legal challenges posed by POCA, debating the types of legislative changes needed to facilitate a more supportive environment for the cannabis industry. Ricardo argued that funds legally generated from international markets should be accessible in the UK without hindrance. Lord Mancroft questioned whether amending POCA would involve primary or secondary legislation and stressed the need for clarity in these legal distinctions to effectively lobby for change.
- **Ronnie Cowan** intervened, requesting that the group focus on identifying specific sections of POCA that require amendment and to outline a clear plan for lobbying parliament to achieve these changes, emphasising the urgency of making POCA more conducive to the growth of the cannabis sector.

10. Closing Remarks and Future Directions:

- **Ronnie Cowan** emphasised the necessity of clear legislative reforms concerning POCA and thanked the participants for their robust discussion and contributions.

Adjournment:

- The meeting concluded with a strong commitment from all members to continue advocating for supportive policies and leveraging the environmental and economic potentials of industrial hemp and CBD in the UK.