

IDENTICAL COPY OF THE ORIGINAL REPORT

**REPORT OF THE COMMITTEE
CONSTITUTED BY THE STATE
GOVERNMENT FOR GIVING
RECOMMENDATIONS ON THE ISSUE OF
LEGALISATION OF CANNABIS
CULTIVATION FOR INDUSTRIAL,
SCIENTIFIC AND MEDICINAL PURPOSES
IN CONTROLLED ENVIRONMENT.**

This version of the report has been reformatted to improve clarity and readability
The content remains identical to the original government report.

INTRODUCTION:

The Government of Himachal Pradesh had constituted a Committee vide notification dated 26-04-2023 under the Chairmanship of Hon'ble Minister (Revenue, Horticulture and Tribal Development) and comprising of Chief Parliamentary Secretaries and Hon'ble MLAs on the recommendations of the Hon'ble Speaker of Himachal Pradesh Vidhan Sabha consequent to the unanimous passing of a resolution in the House in this regard during the Budget Session. The aforesaid Committee was entrusted with the task for examining the issue of legalising the cultivation of Cannabis/Hemp (excluding Charas) in the State for medicinal, scientific and industrial purposes as provided under Section 10 and 14 of the NDPS Act, 1985 read with Rule 29 of the H.P NDPS Rules, 1989.

STUDY TOURS:

The aforesaid Committee conducted extensive studies in the matter to gain insight into the process of cultivation of Cannabis/Hemp in a regulated manner and procurement of the produce for industrial and scientific use. Study tours were undertaken to the states of Uttarakhand and Madhya Pradesh and Union Territory of Jammu and Kashmir by the members of the Committee to have a first-hand experience of the processes involved in the controlled cultivation of cannabis for non-narcotic purposes. Besides this the Committee members also held meetings on the issue, with the representatives of the Panchayati Raj Institutions in the districts of Chamba, Kangra, Kullu, Mandi, Sirmour and Solan to gather public opinion on the matters related to cultivation of Cannabis in the State. There was overwhelming support in favour of allowing cultivation of cannabis in the State with appropriate checks and balances

UTTARAKHAND:

The committee visited Uttarakhand on 20.5.23 and 21.5.23. A familiarisation trip was organised for the Committee members to the Centre for Aromatic Plants at Selaqui in Dehradun where detailed information on various technical aspects, state of the art plant nursery and the products being manufactured from hemp was imparted and first-hand experience on cultivation of cannabis and manufacture of various products was gathered. Interactive sessions were also held with the officers of the Excise Department, Dehradun and Director, Centre for Aromatic Plants at Selaqui.

MADHYA PRADESH: During the tour of the Committee to Madhya Pradesh on 22.5.23 deliberations were held with Director, Central Bureau of Narcotics at Gwalior on the legal aspects concerning the issue of cultivation of cannabis. The Committee also visited Sai Phytoceuticals at Malanpur, Gwalior, a manufacturing unit involved in production of medicines from Cannabis after obtaining license from Ayush.

JAMMU AND KASHMIR: The committee members also visited the Indian Institute of Integrative Medicine at Srinagar working on cultivation of medicinal and aromatic plants in the region. The institute is conducting research on the medical use of Cannabis. The members also acquainted themselves with the captive cultivation of cannabis at the institute's farms at Jammu and Gulmarg. The aforesaid visits provided an opportunity to the members to learn about the experiences of the stakeholders and challenges faced by the Government as well as the cultivators along with the benefits which can be reaped out by venturing into this uncharted territory.

OBSERVATIONS/TAKE AWAYS:

Uttarakhand is the first State in the country to allow cultivation of large-scale industrial hemp as per Government guidelines. Meeting with Excise Officers of the state familiarised the Committee Members with the challenges faced by them and the opportunities that this new project unravelled for the people of the State. The Government of Uttarakhand has issued order under Section 14 of NDPS Act, 1985 for cultivation of industrial hemp with less than or equal to 0.3% THC contents. However, during the course of discussion with the representatives of industry and officers of Excise Department, it was revealed that fixing of THC content to 0.3% proved to be a major bottleneck in successful implementation of hemp policy. Such seeds with 0.3% THC content were difficult to procure and further, cross pollination made it difficult to maintain the desired content of 0.3% THC. Centre for Aromatic Plants, Selaqui has been made the nodal agency for cultivation of Industrial Hemp in the State. Himachal Pradesh can also roll out the project with the Department of Agriculture providing assistance to the cultivators w.r.t the seeds to be used and other cultivation related issues so that high quality hemp can be grown. The horticulture and agriculture universities in the State can also be roped in for carrying out scientific and medical research. Learning from the experience of Uttarakhand, the requirement of -0.3% THC content can be done away with. In Madhya Pradesh discussions were carried out with the Excise officers and the officers of the Narcotics Control Bureau regarding the regulations needed for legalisation of Cannabis cultivation. Officers of the NCB stressed the need for strict monitoring so that the diversion of cannabis for narcotic use can be ruled out. Sai Phytoceuticals has been granted license under the newly hemp rules for manufacture of medicine from cannabis. Till now the State has not allowed the cultivation of Cannabis.

In Jammu the cultivation is being carried out at a farm in Jammu by CSIR-IIIM as a pilot project in Private Public Partnership with a Canadian firm. This is India's first cannabis medicine project.

CHALLENGES:

- Requirement to provide greater awareness, education & know-how to officers of relevant departments and stakeholders.
- Lack of manpower.
- Setting up of specialized laboratories to develop good quality seeds.
- Control & Regulation mechanism.

CONCLUSIONS:

After due deliberations among the members of the Committee based on recent market study and emerging trends a consensus was evolved that controlled cultivation of Cannabis for non-narcotic purposes can prove to be a game changer for the State of Himachal Pradesh. The major inferences drawn by the Committee are enumerated below:

•ECONOMIC ASPECTS:

Himachal Pradesh is topographically and climatically conducive for cultivation of Cannabis. The plant grows in wild in almost all the districts of the State which is being destroyed by the enforcement agencies because of its potential use for narcotic purposes. The State Government can exploit the untapped potential and benefit the farmers by regulating the cultivation of cannabis for non-narcotic purposes. Industrial hemp farming has the potential to dramatically minimize the amount of carbon impact on the environment and can be cultivated with little or no usage of chemical pesticides or fertilizers. Industrial hemp is a diverse plant which can be put to a large number of uses.



The stalks, seeds, and leaves are converted into various construction materials, textiles, paper, food, furniture, cosmetics, healthcare products, biofuels etc. Attracting industry involved in the production of hemp related products would augment the revenue resources of the State. The State of Uttarakhand has already allowed the cultivation of industrial hemp and is reaping its benefits. CBD compounds found in the plant are effective in diseases like cancer, epilepsy, chronic pain etc. The State can encourage research in this field to realise the potential of hemp for medicinal and scientific advancements. By way of promoting legal and regulated hemp activities the State can reduce the influence of unlawful drug dealers and provide lawful economic opportunities particularly in rural areas. This would help in tackling the problem created by illicit drug market. The development of cannabis products would result in strengthening the economy of the State by creating additional sources of revenue, increased job opportunities for the youth especially the rural folk and would also reduce emigration of the youth from the State. It is expected that with the successful implementation of legalization of cannabis cultivation in the State, revenue of approx. 400 to 500 Cr will be generated in the initial years and will increase subsequently.

•**LEGAL ASPECTS:** The powers to allow cultivation of hemp has been conferred on the State by section 10 read with section 8 and 14 of the Narcotic Drugs and Psychotropic Substances Act, 1985. H.P NDPS Rules, 1989 be amended to permit, control and regulate the cultivation of any cannabis plant, production, manufacture, possession, transport, import inter-State, export inter-State, sale, purchase consumption or use of cannabis (excluding charas) by virtue of the powers conferred on the State Government with Section 10 of the NDPS Act, 1985 for medicinal and scientific purposes in the controlled environment.

A general or special order subject to certain conditions be passed to allow cultivation of any cannabis plant for industrial purposes only for obtaining fibre or seed or for horticultural purposes as provided under Section 14 of the NDPS Act, 1985.

• **ADMINISTRATIVE ASPECTS:** The Department of State Taxes • and Excise can be strengthened with specialized staff to carry out the operations such as licensing and enforcement. The district committees notified under NCORD can act as recommendatory bodies.

RECOMMENDATIONS: In view of the discussions held in the foregoing paras the recommendations of the Committee are as under:

- H.P NDPS Rules, 1985 be amended to permit, control and regulate the cultivation of any cannabis plant, production, manufacture, possession, transport, import inter-State, export inter-State, sale, purchase consumption or use of cannabis (excluding charas) by virtue of the powers conferred on the State Government with Section 10 of the NDPS Act, 1985 for medicinal and scientific purposes in the controlled environment.

- A general or special order subject to certain conditions be passed to allow cultivation of any cannabis plant for industrial purposes only for obtaining fibre or seed or for horticultural purposes as provided under Section 14 of the NDPS Act, 1985. Further the cultivation should be in open area.

- Standard Operating Procedures to be developed for processes ranging from cultivation to manufacture of finished products.



- A State level authority be constituted which would provide a single window system for taking decisions with regard to the processes involved in regulating the cultivation of cannabis for non-narcotic purposes viz. setting up of seed banks, seed disbursal, procurement of produce and setting up of Industrial and Pharma units.
- Seed Banks can be developed by the Department of Agriculture/Horticulture in coordination with Research and Development experts & Universities.
- Research and Development techniques can be developed by utilizing the services of CSK Agriculture University, Palampur and Dr Y.S Parmar University at Nauni. Geo tagging of land will be done by the Department of Revenue, IT & Department of Environment, Science and Technology & Climate Change.
- Certain percentage of funds be kept aside for research and development, awareness drives and capacity building exercises.
- Specialized staff be provided to the Excise Department over and above the existing strength to carry out the additional work.