

South Africa's potential in the cannabis global industry

By Sibusiso Xaba

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The Cannabis Expo that took place in Johannesburg from 18-21 November 2021, was regarded as an ideal platform for education, networking and introducing innovative products and businesses to the cannabis industry that covered the medicinal, agricultural, financial and lifestyle aspects.



Source: Esteban Lopez via [Unsplash](#)

Cannabis is now a priority industry that can create jobs and contribute to economic growth and as a result we have seen strategic interventions by government such as the full legalisation of the herb and the drafting of the National Cannabis Masterplan that is due to come to fruition from 2022.

South Africa has good infrastructure in place and good skillsets to build a strong foundation for the cannabis industry with a wide market that can benefit from medical, adult and industry cannabis as opposed to an export only business model. Southern Africa and South Africa in particular have the potential to supply the world with quality cannabis and cannabis products at competitive prices.

Cultivating, growing successful crops

One key challenge in the supply chain that faces growers around the world, is how to tackle the formidable powdery mildew issue. Not surprisingly, this burning issue was raised during the expo with powdery mildew being the most destructive in cultivating and growing successful cannabis crops.

Discussions on how to tackle this serious issue included how biofungicide can help fight the disease, however, growers need to act fast to stop the spread which can be challenging using only this approach.

Other solutions for growers included using a number of oils and sprays to help temper contamination. However, one new solution introduced only recently into the African market exists, which focuses on the elimination of this problem by targeting airborne pathogens, including powdery mildew and converting them into clean air.

This solution comes in the form of an air purification system, called Airocide, that uses Nasa optimised photocatalytic oxidation ("PCO") technology to control and kill infections. Already successfully used in the US and other areas around the world to help mitigate the problem of powdery mildew – it has sparked interest in local growers to trial the innovative Airocide units on their licensed crops to see first-hand proof of its efficacy in reduction of powdery mildew and other air-based pathogens that affect the cannabis crop.

Cultivating a multifaceted approach

However, even with this new approach being introduced locally it's clear that growers need to take a multifaceted approach when it comes to controlling powdery mildew with early detection and eradication of this disease being of utmost importance in protecting crops and maximising production.

While this year's Cannabis Expo offered up exciting innovations and technology solutions for the industry to consider, one thing is still clear. South Africa is a sleeping giant that has the potential to become a major player in the global cannabis market. Regulatory rules drive outcomes in cannabis, impacting everything from product diversification, to growing your consumer base, to revenue growth rates.

The net result is strong growth in a global market that grew 42% to \$21.7bn in 2020 and was forecast to grow at a compound annual growth rate of 19% to \$51.7bn in 2021. With the right support from the South African government, we'll see a further opening up of the local cannabis sector with exponential growth expected in this already booming industry.

ABOUT THE AUTHOR

Sibusiso Xaba is the co-founder and CEO of Africa Cannabis Advisory Group, a leading services provider specialised in the medical cannabis and hemp industries. Sibusiso is a seasoned finance professional, having worked at Goldman Sachs and Investec in London for over 8 years. He has extensive experience covering Africa, specialising in capital markets, debt structuring and syndication, venture capital fundraising, hedging solutions and portfolio management.

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