

By email

16th October 2023

Dear Chair,

Thank you for your letter of 6th October, in which you provide a number of questions in relation to Medicinal Cannabis.

- 1. You indicated in our last hearing that a first draft of a cannabis sector strategy and policy recommendations would be ready by July 2023. Can you provide an update on these recommendations?*

The strategic work referenced above was received in draft form on 18th July. The findings have been reviewed by officers in my Department, and are shortly to be circulated to other Ministers for consideration.

- 2. In your response to our last letter, you indicated that the delay in responding was due to Ministerial overlap coupled with Ministerial and officer leave. Would situations like this evidence the need for greater coordination and joint political responsibility through a formal Political Oversight Group for the medicinal cannabis industry?*

As with many sectors, the Government's interaction with the medicinal cannabis sector overlaps many different Departments and Ministerial portfolios. Ministers have convened a Medicinal Cannabis Ministerial Group to provide political oversight for the industry. This Group is in the process of finalising its terms of reference which will be published once signed-off by the Chief Minister.

- 3. You indicated in our last hearing that you are Chair of the Ministerial Oversight Group but this is not currently identified as a Ministerial Group on the Government website. Can you confirm it is meeting and if formal establishment is required?*

As per the above, Ministers are currently finalising a term of reference for this group which will be published following formal sign-off later this year.

- 4. Are we to understand that it is technically possible for growers of narcotics to apply for grants from Government under the RSS and, if this is the case, would you consider this an appropriate application of public funds? If not, will you be seeking an amendment of the RSS?*

The Rural Support Scheme has been established using a credit based system to allow for the incentivisation of the provision of public goods, it's broad scope allows for support to all manner of rural businesses including small holders and commercial growers. Business cultivating cannabis for medicinal purposes do so legally and in possession of a licence from the Jersey Cannabis Authority. As noted in my previous letter, given the very small sums involved, no application has ever been received from a medicinal cannabis producer to the RSS.

5. *Should companies who are involved in medicinal cannabis products that list shares on the stock market be regulated? If so, how do you propose to impose these regulations and if not, why not?*

Jersey does not have a local stock exchange. Companies seeking to list on an international stock exchange need to adhere to the established terms of the relevant exchange. The Jersey Financial Services Commission also maintains the [Sound Business Practice Policy](#) which sets out the additional requirements for medicinal cannabis businesses.

6. *In your letter of 19th May you indicate that the long-term policy implications will be considered following the strategic development work being undertaken and that any medicinal cannabis strategy would be consistent with the Outline Economic Strategy and Future Economy Programme. Can you confirm that any policy or strategy will seek to establish a sustainable medicinal cannabis industry?*

As Minister I am very keen to ensure that our economy grows in a sustainable way, this means ensuring that growth balances economic needs with our social needs and environmental resources and that such growth is long-lasting precisely because it grows in step with the ability of the island to maintain it. This forms an important part of the Future Economy Programme and future strategies will be aligned with this.

7. *In our letter of the 29th June, we asked that you identify the process and criteria used for the selection and appointment for the consultants working around the strategic development plan. Please could this be provided with information on the process undertaken to ensure no conflict of interest is held by the consultants?*

This procurement was made in line with the standardized procurement processes and overseen by the Commercial Services team. The procurement rationale and criteria for this piece of work has been provided as a confidential annex.

8. *You indicated in your letter of 11th September that the consultancy firm has met with existing members of the industry and stakeholders during their work. Please could you outline how Ministers have ensured that representatives from the industry at all levels have been invited to participate and that their views have been duly considered at this stage?*

The consultants offered to meet with representatives of all organisations currently licensed to cultivate, possess and supply medicinal cannabis. As the policy development process moves forward it is anticipated that there will be further broader public consultation opportunities for the industry and interested parties.

9. *Please could you outline your position on the legalisation of recreational cannabis and the impact upon the Islands medicinal cannabis industry, and wider economy?*

I'm aware that the Minister for Home Affairs intends to bring an in-committee debate on this subject which will allow all Members to make an informed contribution to the public debate.

As Minister my focus is on securing the success of the medicinal cannabis industry.

10. *Can you clarify the differences between the United Kingdom and Jersey licensing processes, especially in terms of requiring applicants to demonstrate competence with pharmaceutical quality systems (PQS) before permitting the growing of controlled narcotics intended for use as medicines? Additionally, what equivalent controls are in place in Jersey?*

This question should be referred to the Minister for Health and Social Services.

11. How are you engaging with industry representatives interested in producing high-value medicinal cannabis products, i.e., premium grade “craft” cannabis (“raw” unprocessed flower), to ensure that the Island maximises economic growth and adds value to the industry, considering the concerns raised by some industry members?

The government maintains regular communication with those currently licenced to operate within the medicinal cannabis industry and is engaging with industry to facilitate an independent stakeholder group to represent the sector.

12. If standards are not premium, lower grade (less profitable) cannabis may be sold to comply with legal manufacturing requirements: how will you ensure established Medicinal Cannabis companies can make a profit legally?

All Jersey based medicinal cannabis companies are required to comply with the terms of their licence conditions in order to operate legally.

13. Would it be useful to establish an advisory group consisting of all local industry representatives, including patients, some of whom, feel excluded from the policy formulation process, to collaborate with the informal officer group?

It is important to distinguish between the medicinal cannabis cultivation industry and matters related to the prescribing of medicinal cannabis in Jersey. In the case of the former, my officers and I have regular engagement with industry representatives.

Prescribing practice is primarily a matter for the Minister for Health and Social Services, although both the Environment and the Social Security Ministers have potential interests in this area with regard to Regulation of Care Law and the Prescribed list (ie. the list of medicines provided through the health insurance fund). The Panel may wish to refer to the Minister for Health and Social Services in the first instance.

14. What work is being undertaken to establish the required amount of land to be allocated to the growing of medicinal cannabis to make the industry economically viable?

The Government does not allocate land to the medicinal cannabis sector.

15. Given that the policies within the 'People Services Policy Toolkit' were not sufficient to prevent the island's former Chief Pharmacist from unexpectedly leaving his post to take up employment in a local cannabis company for which he had previously been responsible for regulating, and whose production license he recommended for approval, could the Minister verify whether there are now additional mechanisms in place to ensure the impartiality of the civil servants involved in developing policy in this area going forward? For example, are specific periods of time (i.e., 'cooling-off periods') during which individuals who have left public service are restricted from taking certain roles or positions in the private sector, particularly those they once regulated or oversaw?

Employees can take up employment as they wish, however, should a conflict arise during their employment (or a potential conflict) this must be declared – and in some cases, it may be necessary to place restrictions on individuals. Additionally, there are contractual restrictions that work to prevent previous employees enticing others to leave Government of Jersey employment, with a view to joining them in their new endeavours.

I would refer the panel to the States Employment Board for any further questions relating to employment matters. In the case of the individual referenced above, he was not an employee of the Department for the Economy.

16. What work is being undertaken to establish the required infrastructure improvements to make the industry viable, considering the high demand for electricity needed to produce high-quality cannabis? (Roughly 5000 kW/h for every kilogram of finished dried flower)?

The infrastructure and supply requirements associated with cannabis cultivation are commercially negotiated directly between Jersey Electricity and the respective businesses.

17. How high is the risk that continued delay in producing what could be regarded unanimously amongst local industry representatives as an economically productive policy, that conforms with international standards with respect to the production of all grades of medicinal cannabis, risks deterring ongoing investment in the industry to produce a higher grade product while potentially replicating a situation where, in larger jurisdictions, most of the product is unsold and hundreds of billions lost in risk capita?

Jersey has been fortunate to attract a high level of inward investment and interest in the cultivation of medicinal cannabis, both locally and overseas. The government will be liaising closely with industry in the development of future economic policy in this area.

18. How might this impact investment in the industry, particularly for those interested in producing higher-grade products?

The government's role is to create the regulatory conditions necessary for businesses to succeed in a safe and well regulated environment. It is up to individual businesses to determine the most effective commercial strategies for their products.

19. Could the publicised loss of investment in any company in which high amounts of investor capital has been raised, such as in scenarios seen overseas, have ramifications for the reputation of this Island including its finance industry?

Jersey maintains an attractive offering for prospective investors as evidenced by the high level of interest and investment in the established businesses within this sector and reputational risks are being considered within the policy development process.

I hope the above provides clarity to the areas you have raised.

Yours sincerely,



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