

# CANNABIS IN THE UK

Your essential guide  
to the world's second  
largest consumer  
CBD market



Association for  
the Cannabinoid  
Industry

## Golden opportunity

The UK's market for consumer cannabidiol (CBD) products will be worth £690 million (€800 million) in 2021, according to new estimates published by the [Association for the Cannabinoid Industry \(ACI\)](#).<sup>1</sup> This is more than double the level of sales recorded in 2019, when the market was worth £314 million.<sup>2</sup>

The UK is now the world's second largest market for consumer CBD, behind only the US. Health-conscious British shoppers spend more on CBD products than on vitamins B and C combined. Furthermore, recent regulatory developments have created a much more certain environment in which to do business in the UK's CBD sector.

The potential that the UK offers is, therefore, impossible to ignore. It represents a golden opportunity for those companies that already operate in the CBD sector and those considering whether to do so.

All parts of the supply chain, and companies of all sizes, stand to gain from the UK's CBD revolution: raw material suppliers, manufacturers, brand owners and retailers. Furthermore, it is a highly attractive market for both domestic UK-based companies and those that are located overseas.

With this in mind, ACI has produced this guide to help businesses make a successful entry into Britain's promising and exciting consumer CBD sector. It explores recent, significant changes to how the category is regulated, and explains what they mean for companies wishing to build a successful consumer CBD business in the UK.

1 Public First/Dynata + Google Consumer Survey 2 Navigant/Dynata

## Regulatory certainty

In 2019, ACI predicted that the UK's consumer CBD market would be worth £526 million in 2021.<sup>2</sup> In May 2021, ACI issued a revised forecast of £690 million – 31% higher than its previous projection and 119% higher than the level of sales recorded in 2019. What's behind this extraordinary growth?

Firstly, it appears that many UK consumers embraced CBD products during the COVID-19 pandemic. Unsurprisingly, health and wellbeing were major themes throughout the lockdowns that paralysed the country during the course of 2020 and into 2021. Faced with added stress and worry, it would seem that more people bought into the category and continued to do so, driving repeat sales and incremental growth.

At the same time, there was greatly increased coverage of CBD and its benefits in the media – both traditional and digital. As a result, UK consumers were exposed to more information than ever before about how CBD could help them maintain their wellbeing.

Meanwhile, encouraging and feeding this demand was the fact that CBD products in the UK were easily, freely and legally available through high street and online retail channels for the duration of the pandemic.

This was, in effect, the result of a major announcement by the UK's regulatory authority, the [Food Standards Agency](#) (FSA), in February 2020 – just a few weeks before the UK's first and most severe lockdown.

The FSA said it wanted to ensure that sales of CBD in Britain were adequately regulated in order to verify that the products consumers buy were legal and safe. As a means to achieve this, it announced the following new requirements:

- ✓ Suppliers of CBD products that were *already on the market* would now need to submit a 'novel foods' application by 31 March 2021.
- ✓ These products would then be permitted to remain on sale until such time that the FSA had assessed the dossier.
- ✓ Crucially, only products already in the market *on or before* 13 February 2020 could benefit from this lighter-touch approach.
- ✓ Any product not on sale on or before this date would be obliged remain off sale until such time the FSA authorised the novel foods application for that product.

## Strength in numbers

The FSA's announcement was highly significant. It was the first time that a government agency had taken formal steps to regulate the sale of consumer CBD. As a result, the UK now has the most evolved regulatory framework in the world for CBD. In addition, by bringing CBD products into the novel foods framework, the FSA was issuing a *de facto* acknowledgement that such products should be regulated as dietary supplements.

The action taken by the FSA means that launching new CBD products will be, in the first instance, more complex than previously. However, it also means that those products that are authorised will be sold legally. In terms of building a long-term and sustainable CBD category in the UK, there is no doubt this represents a positive development and a huge step in the right direction.

Hundreds of novel foods dossiers for CBD products were sent to the FSA by the 31 March 2021 deadline. Among them was a 'super-application' submitted by [ACI's CBD Safety Study Consortium](#), a group of 18 ACI members. By choosing to collaborate in this way, the companies were able to share costs and data, while benefiting from ACI's regulatory expertise throughout the process. The FSA [continues to review](#) the many novel foods dossiers it received and will publish its decisions on a regular basis.

These recent developments mean that, from a regulatory perspective, the UK is now the most advanced country in Europe. The European Union remains some distance from formulating its own legislative framework for the CBD category and, as a result, stakeholders in the EU are looking at Britain as a model of effective regulation. ACI, having played a key role in the development of the UK's own regulations, is assisting counterparts in the EU wherever possible.

## Enforcing compliance

The agency responsible for the enforcement of legislation relating to consumer goods and services in the UK is Trading Standards.

In the run-up to the FSA's 31 March 2021 novel foods application deadline, Trading Standards confirmed to ACI that it intends to monitor the CBD market and enforce the new regulatory framework. It said it would do this via its National Intelligence Database to support officers on the ground as they carry out their duties to ensure regulatory compliance and remove any unauthorised products from sale.

Subsequently, in February 2021, ACI became the first UK cannabis industry association to formalise a partnership with Trading Standards. The [Coordinated Primary Authority Partnership](#) allows ACI, and its members, to seek advice – general or legally binding – from Trading Standards officials.

Under the terms of the partnership, Trading Standards provides ACI members with access to bespoke webinars, training, general information and guidance on topics such as labelling, advertising claims and food safety management plans.

3 UNODC, "Questions and answers relating to WHO's recommendations on cannabis and cannabis-related substances." 2019, [Online]. Available: [https://www.unodc.org/documents/commissions/CND/Scheduling\\_Resource\\_Material/Consultations\\_with\\_WHO\\_Questions\\_and\\_Answers\\_3\\_October\\_2019.pdf](https://www.unodc.org/documents/commissions/CND/Scheduling_Resource_Material/Consultations_with_WHO_Questions_and_Answers_3_October_2019.pdf)

## THC limits

Talks continue between ACI and the government about the setting of limits for the presence of tetrahydrocannabinol (THC) compounds in CBD products. ACI has recommended to the Home Office that THC levels of below 0.03% should be treated as zero, while products with THC levels of between 0.03% and 0.2% should be lawfully permitted for sale over the counter, with a label declaration.

This position follows a recommendation from the World Health Organisation's Expert Committee on Drug Dependence that CBD products with more than 0.2% THC should be removed from the market in order to eliminate the potential for abuse. However, THC levels below 0.2% were considered to have low potential for abuse.<sup>3</sup>

Consistent with this was a January 2020 opinion issued by the UK's [Advisory Council on the Misuse of Drugs](#), an official government advisory body, that a medicinal CBD product, Epidyolex, which contains no more than 0.1% THC, presented "a low risk of abuse potential, low risk of dependency, and low risk of diversion."<sup>4</sup>

ACI has co-authored [a scientific report on this topic](#), which forms the basis of discussions with government ministers.

4 O. Bowden-Jones, "RE: Epidyolex." Advisory Council on the Misuse of Drugs, London, 2020, [Online]. Available: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/861607/ACMD\\_advice\\_Epidyolex.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/861607/ACMD_advice_Epidyolex.pdf)

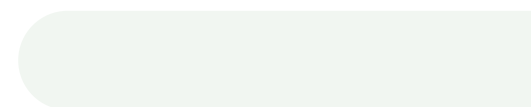
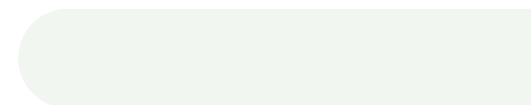
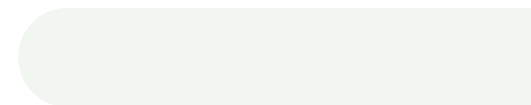
## New to the market?

With the potential it offers, it's no surprise that many businesses, from all over the world, are assessing the opportunity the UK consumer CBD market provides.

For companies looking to launch their products in Britain for the first time, it is important to note that novel foods authorisation is now required. The same is true of any company whose products were on sale on or before 13 February 2020 but did not, for whatever reason, submit a novel foods application by 31 March 2021. In the case of the latter, companies in this position must remove their products from the market or risk enforcement action by Trading Standards.

It can take up to 18 months to achieve novel foods authorisation, so it is recommended that businesses act quickly to put forward their dossiers at the earliest possible opportunity. In order to facilitate and accelerate the process, all ACI members – existing and new – are able to access the data produced by the CBD Safety Study Consortium.

Work is also ongoing to generate the [toxicology data](#) the FSA requires. Again, ACI members are able to benefit from exclusive access to this data for use in their novel foods dossiers.



## Green shoots

The outlook for the UK's consumer CBD market is bright. However, work goes on to promote the industry in order to nurture this potential and build a CBD sector that can continue to grow sustainably over the long-term.

In May 2021, ACI made a submission to the UK government's Taskforce on Innovation, Growth & Regulatory Reform (TIGRR), which was established by Prime Minister Boris Johnson to stimulate post-pandemic economic growth.

The TIGRR paper called for:

- ✓ A dedicated agency to license and oversee the industry.
- ✓ A new centre of excellence to fund, synthesise and promulgate the best new clinical evidence to boost the UK's nascent medicinal cannabis market.
- ✓ Urgent reform of licensing policy to steer and harness the emerging scientific evidence across the whole spectrum: from agri-science and plant genetics, to novel synthetics, new therapies and clinical trials.

Details of the full ACI submission, and more, can be found in a [new, publicly-available report](#), titled *Green Shoots – Sowing the Seeds of the New UK Cannabinoid Market*.



## Here to help you



ACI is the UK's membership organisation for businesses committed to nurturing a safe, legal and flourishing commercial cannabis extract market.

Our vision is to create an innovative and ethical sector with the highest standards of product quality, consumer satisfaction and regulatory compliance.

Based in London, ACI exists to support, advise and guide existing companies and new entrants in the UK's consumer market for CBD, and other legal cannabinoids. We offer expertise to businesses from across all parts of the CBD supply chain.

Annual membership delivers a [range of benefits](#) and includes £6,000 worth of one-to-one consultancy for your business.

Visit [theaci.co.uk](https://theaci.co.uk) for more information.