

Letter of 15 September 2023 from the Minister of Health, Welfare and Sport and the Minister of Justice and Security to the House of Representatives on the starting date for the Controlled Cannabis Supply Chain Experiment start-up phase

We are writing to inform the House about the starting date of the start-up phase in the municipalities of Breda and Tilburg, and the expected start of the transitional phase in all participating municipalities.

We are also informing the House about the situation regarding the participation of an Amsterdam borough in the experiment.

Start-up phase to start on 15 December 2023 in Breda and Tilburg

On 30 March 2023 we informed the House that a start-up phase was being added to the experiment. We stated that the start-up phase would start once three growers were ready to deliver their products to the coffee shops in Breda and Tilburg. This was expected to be within six months.

On the basis of the growers' schedules as per March 2023, we estimated that the start-up phase would start in the fourth quarter of 2023. The most recent schedules indicate that two growers expect to be ready to deliver their products in the fourth quarter of 2023. In the interests of maintaining support for the experiment, we decided to deviate from the condition that at least three growers must be ready. Accordingly, the start-up phase will begin on 15 December 2023, with at least two growers, and delivery to coffee shops in Breda and Tilburg can start this year.

Given the fact that the transitional phase has been postponed several times, we welcome the start-up phase, introduced by the mayors of Breda and Tilburg, as an opportunity to gain experience on a small scale with a controlled supply chain and all the processes this encompasses. During the start-up phase the coffee shops will still stock illegally produced cannabis sourced from existing suppliers under the toleration policy. This will allow coffee shops to maintain sufficient stock levels. Since the aim was to achieve a diverse supply of controlled products, we decided at the time that at least three growers should supply coffee shops in Breda and Tilburg. However, given the growers' current schedules, we have chosen to start the start-up phase with two growers who have been ready for some time. It is expected that the next two growers will be able to start supplying coffee shops in Breda and Tilburg in February.

In line with the previously agreed condition, the start-up phase will for the time being last no longer than 6 months. Insights gained during the start-up phase will be shared with all participating municipalities. They will also be used to optimise processes and systems, so the start of the transitional phase goes as smoothly as possible. In this way, the start-up phase will benefit the experiment as a whole.

In the run up to 15 December, the municipalities of Breda and Tilburg, the coffee shop owners, the growers, the Security and Justice Inspectorate (IJenV) and the Netherlands Food and Consumer Product Safety Authority (NVWA) will be preparing for the start of the start-up phase. We will be in close contact with them and will monitor progress throughout.

Transitional phase will not start before the end of the first quarter of 2024

In March we stated that the transitional phase was expected to start in the first quarter of 2024. Given the growers' current schedules, this phase is now expected to start no earlier than the end of

the first quarter of 2024. This is assuming there is no delay whatsoever. The growers' schedules are currently too uncertain to specify a definite starting date. A more realistic estimate can only be given once growers' preparations and production process are at a more advanced stage. Accordingly, we will be monitoring growers' progress closely. The exact starting date of the transitional phase will be communicated to the House at least three months in advance.

During the transitional phase coffee shops in all participating municipalities may sell controlled cannabis products, in addition to the tolerated sale of illegally produced cannabis. The transitional phase will last six weeks, after which only controlled products will be available. It is therefore essential that, before the transitional phase starts, enough cannabis and hashish is being produced to provide a complete and steady supply to all coffee shops in the participating municipalities.

Participation of an Amsterdam borough

We previously informed the House that an 11th municipality could be added. The mayor of Amsterdam has now nominated Amsterdam East borough for participation in the experiment. We are currently considering this nomination and discussing the details with the municipality of Amsterdam.

We have previously stated that adding an 11th municipality would not cause any delays in the start of the experimental phase. This means that the transitional phase will start once, among other things, a steady supply and production is in place for the first 10 participating municipalities. On the basis of our current projections, it is unlikely that the 11th municipality will be able to participate in the transitional phase at the same time as the other 10 participating municipalities. We are therefore planning to submit a memorandum amending the bill amending the Controlled Cannabis Supply Chain Experiment Act – currently being considered by the House – in connection with the addition of an 11th municipality to the experiment, so the borough can make a start at a different moment. This will not alter the total duration of the experiment: four years from the start of the experimental phase in the first 10 municipalities.