

Naturally GOOD

1:00pm - Future of Hemp: Beyond the Hype



Craig Weller
COO
Bod Australia



Bob Burke
Principal
Natural Products Consulting



Dr. Teresa Nicoletti
Partner
Mills Oakley



Moderator: Susan Tapper
Director
Holistic Marketing
Healthy Sales



Future of Hemp

Bob Burke
June 2019



Bob Burke

- Advisory work in assisting bringing natural, organic and specialty products to market across most classes of trade
- Write business plans for raising capital and growth strategies for management teams
- Co-Author/Publisher of the *Natural Products Field Manual, Eighth Edition*
- Co-produce and co-lead seminars on “Becoming a More Effective Sales Manager in the Natural and Specialty Channel” and “Financing your Consumer Products Company”
- Serve as outside director of: EcoFish, Orgain, Saffron Road, King Arthur Flour and Farmwise
- Advisory Board: Go Veggie, Soapbox Soaps, The Chaat Company
- Former director: Stonyfield Farm, Equal Exchange, Stirrings, FoodState,
- Former Co-chair, Specialty Food Association’s Natural and Organic Council
- Admissions Committee, Specialty Food Association
- Prior to consulting was VP Sales and Corporate Development for Stonyfield Farm for 11 years.

Contact: 978-975-9902; Bob@NaturalConsulting.com

8 Cobblestone Lane, Andover, MA 01810

www.NaturalConsulting.com



Natural Products Field Manual *Eighth Edition*



- Complete, comprehensive, 4 volume, guide on “how to go to market” for natural, organic and specialty products
- Includes Flash Drive with directory of top natural retailers, mass-market natural buyers, distributors, brokers, industry resources, budget models, new item forms and store logos
- Practical, proven, best practices shared and illustrated by industry veterans
- Rich, insightful guest editorials by notable natural buyers, brokers and CEO's
- \$100,000 in coupons
- Half Day consulting by author
- www.NaturalConsulting.com

CBD

- First step was having hemp removed as a controlled substance by passage of the US Farm Bill
- Still awaiting G.R.A.S certification by FDA.
- Flood of topicals, pet products and all manner of supplement forms (tinctures, gel-caps, patches, oils, body care, and lots of innovation work on food and beverage. (750 brands so far)
- Current US Natural Channel sales ~\$40M in tracked channels but most volume done in independents (not tracked).
- Key issue: integrity and transparency in supply chain.

Basics

- CBD (from Hemp) is not THC
- Breakout move was removal from banned list by US Farm Bill in 2018
- Mostly showing up as supplements, personal care and [et products o far, good and bev poised.
- Main reported benefits: insomnia, stress, joint pain.
- Go with isolates (pure CBD) or broad spectrum (contain other components such as other cannabinoids or full spectrum (all parts of the plant) - *entourage effect*.

What's Exciting

- May be natural industry ingredient of the decade.
- Not GRAS certified for food and beverage yet. FDA signaled minimal enforcement unless egregious claims
- Market ahead of science, entrepreneurs not waiting.
- In three years in tracked sales \$3.4M - \$85.7M (SPINS)
- Forecast range from \$2B - \$22B by 2022.

Strategic Question: Is it an ingredient, or can you build a brand?



Good to Know

- Consumers reporting benefits for sleep, anxiety and pain.
- Connect to endocannabinoid receptors balancing the nervous system
- Usage migrating from cannabis friendly to CBD curious.
- Processing so products have efficacy necessary for growth, otherwise it is fairy dust.
- CBD is gaining traction at an incredibly fast rate (probably faster than any trend I've witnessed). Almost every beverage company is testing it as are many food companies. However, information about its functionality / efficacy has a long way to go, especially in making it something that a consumer can



Canada Status

- Before the legalization of cannabis for recreational purposes, cannabidiol (CBD) was deemed illegal in Canada unless approved for medicinal use. Following the [Cannabis Act](#), **CBD and hemp are now legal to buy in dispensaries across Canada**, but they are viewed in the same regards as psychoactive marijuana.
- This is an interesting stance to have considering that CBD products contain little to no THC (the compound in cannabis that gets you high), and have been used by many people for their therapeutic properties.
- In addition to their outlook CBD, the Canadian government has also placed restrictions on [what kind of cannabis](#) extracts are legal to sell. Flower buds, pre-rolled joints, cannabis oil, plants, and seeds are available to purchase, but edibles and concentrates are not yet legal within Canada.
- There are also age limits for purchasing cannabis in Canada, which only gives access to those over the age of 19 (or 18 if you are in Quebec or Alberta).

NATURALLY GOOD PANEL HEMP BEYOND THE HYPE

MODERATOR: SUSAN TAPPER

CANNABIS

Cannabis is an annual, dioecious, flowering herb. Most experts agree there are 60 - 100 species. The plant is also known as hemp, although this term is often used to refer only to varieties of Cannabis cultivated for non-drug use. Cannabis has long been used for hemp fibre, hemp seeds and their oils, hemp leaves for use as vegetables and as juice, medicinal purposes, and as a recreational drug. Industrial hemp products are made from cannabis plants selected to produce an abundance of fibre. To satisfy the UN Narcotics Convention, some cannabis strains have been bred to produce minimal levels of tetrahydrocannabinol (THC), the principal psychoactive constituent. Some strains have been selectively bred to produce a maximum of THC (a cannabinoid), the strength of which is enhanced by curing the flowers.

ANALOGY

FROM THE CANNABIS COMPANY WEBSITE

- **Cannabis** is Mum & Dad (the family name for the botanical) & they gave birth twice
- **Hemp** was the first born
- Everyone loves **Hemp** -- she's helpful, hard-working and honest and would never get you high.
- Next came the Marijuana twins - **THC and CBD**
- **CBD** is purely medicinal and loves taking care of people. She was misunderstood as a kid but grew up to be a respected doctor. She won't get you high.
- **THC**.... she's a bit of a party animal. She loves to hang out, but she also loves taking care of people. She will definitely get you high. But she'll fix you up, since there's medicine in there too – she's a nurse, but one of those “party animal” nurses.

BRIEF HISTORY

- 8000 BC – Cannabis fibre, seeds and oil used for food in China
- 4000 BC --Textiles made of hemp are used in China and Turkestan
- 2737 BC -- First recorded use of Cannabis as a medicine by Emperor Shen Nung of China
- 2000 BC -- Hindu sacred text Atharvadveda refer to it as 'sacred grass'
- 1500 BC -- Egyptian writings refer to it in the Ramesseum Papyriancient the Egyptian medical text
- 500-600 AD -- The Jewish Talmud mentions the euphoria properties of Cannabis
- 1533 – King Henry VIII fines farmers if they DO NOT grow hemp for industrial use
- 1616 – American settlers brought seeds, used the hemp for clothing, building materials, sails & weapons
- 1764 -- Medical cannabis appears in The New England Dispensatory
- 1800 – Cannabis plantations flourish in the US
- 1830 -- William Brooke O'Shaughnessy introduced the therapeutic cannabis to Western medicine
- 1840 – In America, medicinal preparations with a Cannabis base are available.
- 1851 -- the third edition of the United States Pharmacopeia list hemp extract among its medicines
- 1850- 1915 – Cannabis used throughout the US as a medicinal drug, purchased in pharmacies and stores.
- 1915- 1927 Cannabis begins to be prohibited for nonmedical use
- 1919 -- 18th Amendment to the US constitution banned manufacture, sale and transportation of alcohol and positioned cannabis as an attractive alternative.
- 1928 – Cannabis became illegal in Australia
- 1933 -- US Congress repealed the amendment – ending alcohol prohibition
- 1937 – Marijuana Tax Act criminalized the drug in the US
- 1941 – Cannabis is removed from the US Pharmacopoeia – medicinal use no longer recognised in America
- 1943 – US farmers had cultivated nearly 400,000 acres of hemp for the war effort
- 1970 -- Industrial cultivation of hemp was banned under the Controlled Substances Act
- 1996 – California first state to re-legalize medical cannabis for AIDS, cancer and other serious illness
- 2012 – Colorado and Washington states legalise marijuana / cannabis for recreational use.
- 2016 - Medical cannabis was legalised in Australia on October 30, and the market is tightly regulated by the Federal Government Office of Drug Control.
- 2017 -- the Therapeutic Goods Administration (TGA) of Australia rescheduled some medicinal cannabis products to Schedule 8 of the Poisons Standard, making the prescription of medicinal cannabis legal
- 2018 – US Farm Bill passed re-legalizing the cultivation of hemp nationwide.



E-CANNABINOID SYSTEM

Haven't heard of the Endogenous Cannabinoid System or ECS?
No worries - your doctor probably hasn't either...

- 'Discovered' in the 1990's -the endogenous cannabinoid system ECS -- named for the plant that led to its discovery—is one of the most important physiologic systems involved in establishing and maintaining human health.
- Endocannabinoids and their receptors are found throughout the body: in the brain, organs, connective tissues, glands, and immune cells.
- With its complex actions in our immune system, nervous system, and virtually all of the body's organs, the endocannabinoids are literally a bridge between body and mind.
- By understanding this system, we begin to see a mechanism that could connect brain activity and states of physical health and disease to achieve homeostasis.

AUSTRALIAN REGULATORY ISSUES

Australian Regulatory issues change often - watch Hemp or Cannabis alerts

- In Australia, CBD is only available with a prescription from an approved prescriber, or for approved medical research.
- CBD is prohibited here for topical, cosmetic or nutritional purposes.
- Cannabidiol products for medicinal purposes are classed as Schedule 8 products and are only available in Australia under the Special Access Scheme or Authorised Prescriber Scheme.
- For non-medicinal purposes, classed as Schedule 9 substances, or poisons, and are prohibited altogether unless used for approved medical or scientific research.
- Pressure on Australian regulators to align with the rest of the world but the path to change is complicated.
- The World Health Organisation is currently considering delisting CBD oil from the Single Convention on Narcotic Drugs with a decision expected by March 2020.

HOW TO MAKE CHANGE IN AUSTRALIA?

Contact your local MP and tell them how ridiculous it is that Australia is so far behind the rest of the world with regards to Medicinal Cannabis & CBD....

- Find your local MP with the link below and send an email or write a letter asking for change.

www.aph.gov.au/Senators_and_Members/Members



holistic marketing
HEALTHY SALES

Susan Tapper, Director
0415 202 810

Passionate about ethical, trending ingredients
& working with natural health manufacturers
with strategic sales & marketing

Adapted from the following sources:
www.scientificamerican.com
www.entoura.com.au
www.thecannabiscompany.com.au
en.wikipedia.org/wiki/Medical_Cannabis
Notes from 2019 EXPOWEST/CBD Summit
2019 UIC Australian Medicinal Cannabis
Symposium