

Hemp Industry **Daily**

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NEW WEBINAR

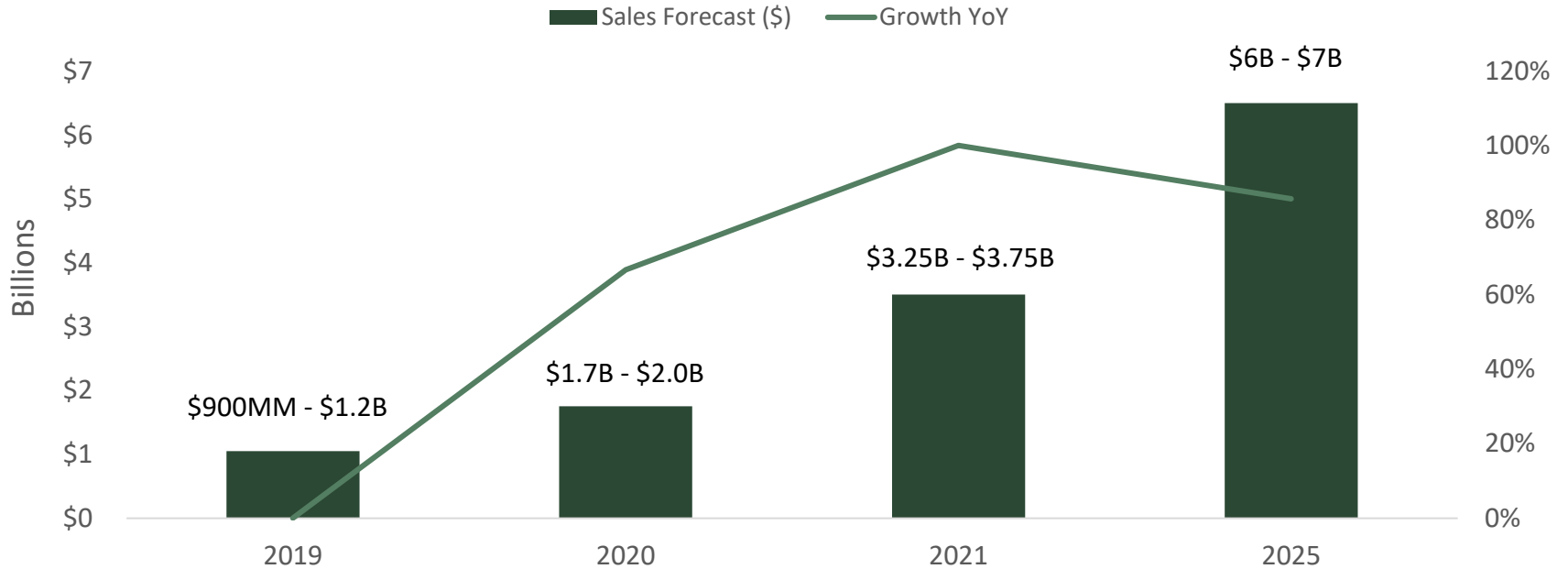
How to Navigate the Complicated World of CBD in Retail

with Rick Maturo
Derek Thomas

 **October 22 | 1 p.m. ET / 10 a.m. PT**



US SALES OF HEMP-CBD ARE EXPECTED TO GROW SIGNIFICANTLY BY 2025



HEMP-CBD CONSUMPTION

TODAY

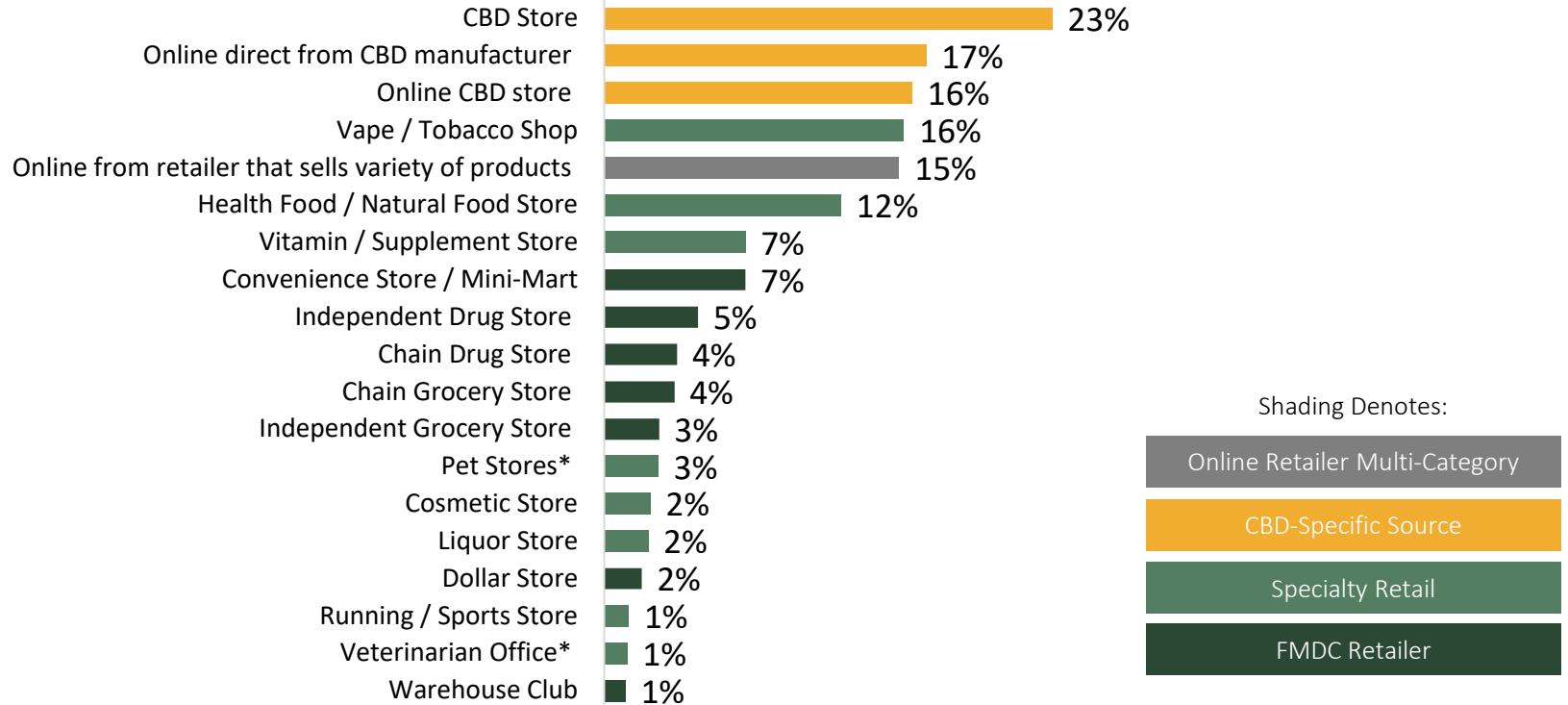


RUN-RATE



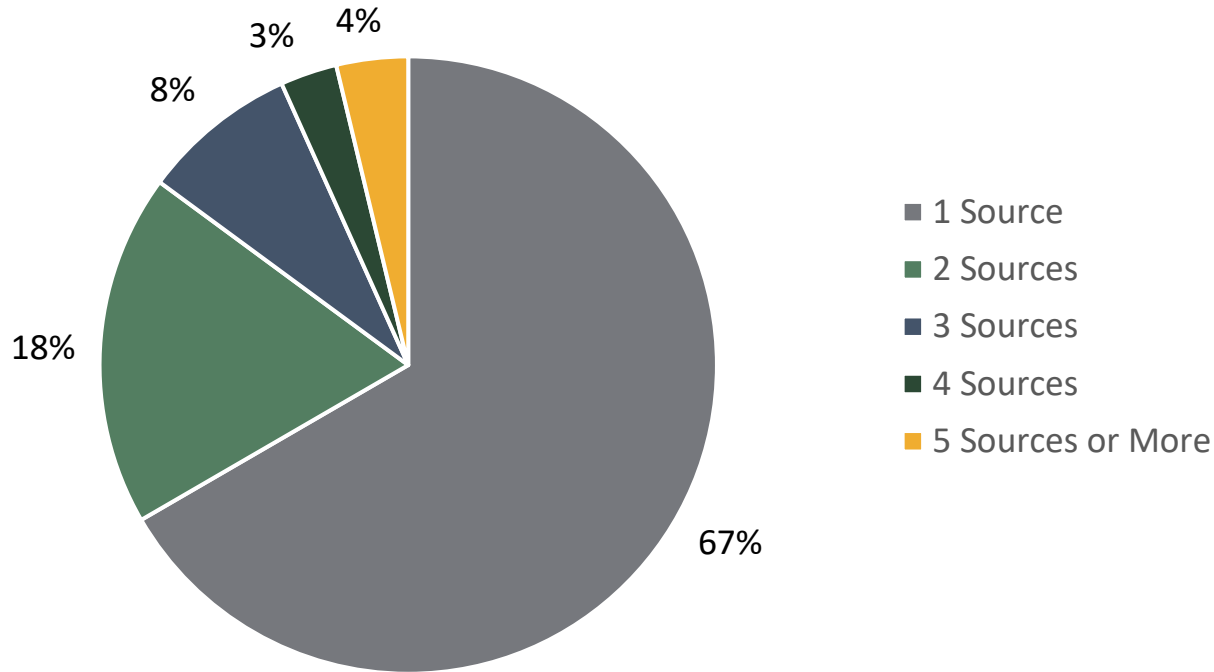
HEMP-CBD PURCHASING - % HAVE PURCHASED FROM A GIVEN CHANNEL

AMONG HEMP-CBD PURCHASERS



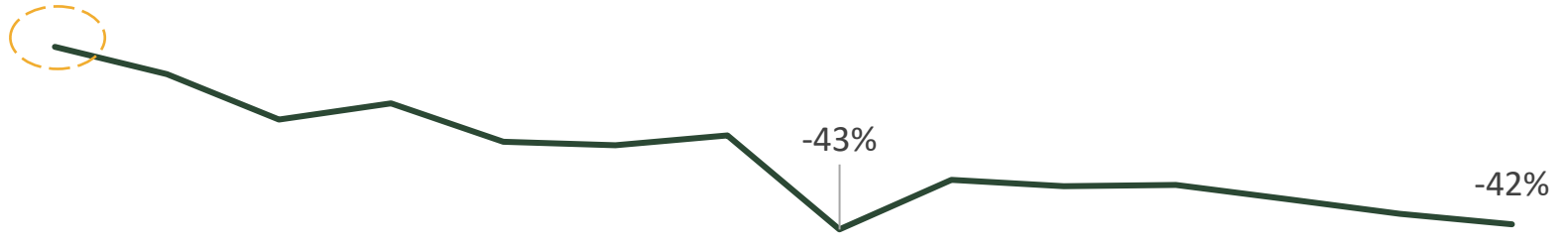
HEMP-CBD PURCHASING – NUMBER OF PURCHASE SOURCES

AMONG HEMP-CBD PURCHASERS



TOTAL HEMP-CBD SALES – US FOOD, DRUG, C-STORE CENSUS

FDC Sales – Oct '19 – Oct '20



“1-in-5 say they’re buying more CBD products during the pandemic and about the same number say they’re buying less, but the majority have not changed their purchasing habits” – Carmen Brace, Aclara Research, “Cannabis and CBD Use During the Pandemic”

4 W/E 10/05/19 4 W/E 11/02/19 4 W/E 11/30/19 4 W/E 12/28/19 4 W/E 01/25/20 4 W/E 02/22/20 4 W/E 03/21/20 4 W/E 04/18/20 4 W/E 05/16/20 4 W/E 06/13/20 4 W/E 07/11/20 4 W/E 08/08/20 4 W/E 09/05/20 4 W/E 10/03/20

Human Drugs

"... CBD product, ... to diagnose, mitigate, treat, cure, or prevent disease, is a drug...no approved OTC drugs containing CBD..."

Foods for Humans, Pets, and Other Animals

"not currently lawful to add CBD to human or animal food, ...safety concerns about the use of CBD in food."

Dietary Supplements

"...CBD products cannot lawfully be sold as dietary supplements"

Animal CBD

"...FDA has not approved, ...CBD drugs for animals"

Cosmetics

"...topical product, ...intended to affect the structure or function of the body, or... for a therapeutic use...is a drug, even if it is also a cosmetic,...must be approved as a new drug"

Vapes

"CBD-containing vape products...cannot be marketed without FDA-approved drug applications"

Enforcement

"FDA intends to continue monitoring the marketplace, and to initiate and expand appropriate compliance and enforcement ...continue taking action to address violations..."

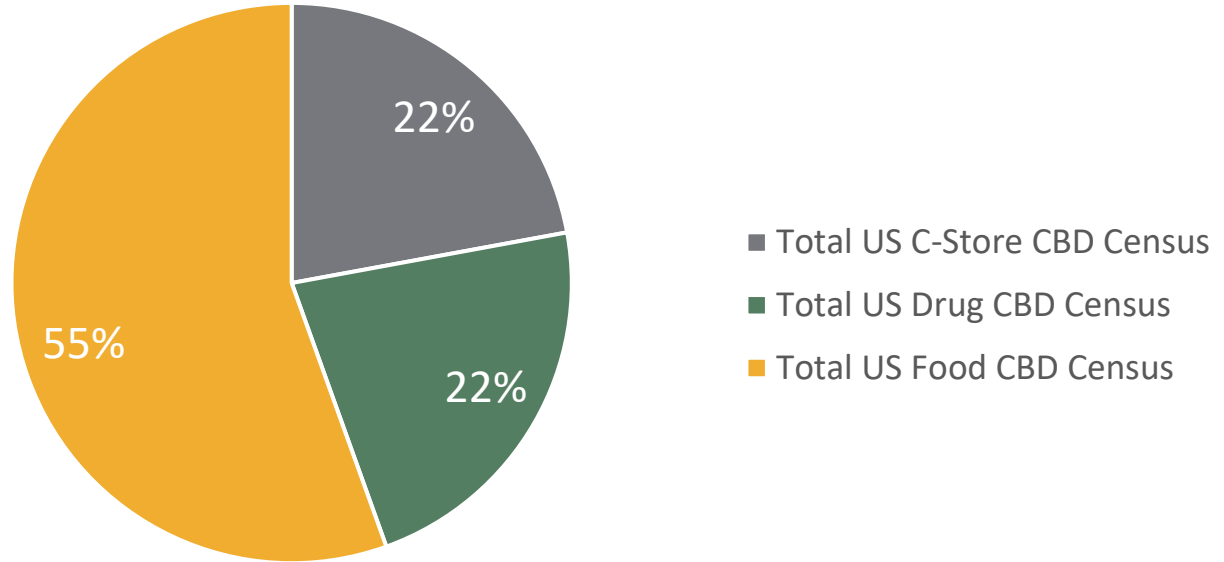
Future

"marketplace for CBD-containing products continues to quickly evolve...critical that we protect consumers from unsafe products...obtaining information to address evidence gaps is essential and, to date, outside groups have not provided the robust data and information needed to fully inform potential paths forward."



HEMP-CBD CENSUS SALES – DOLLAR SHARE BY CHANNEL

AMONG HEMP-CBD PURCHASERS



HEMP-CBD CENSUS SALES – TOP SELLING CATEGORIES CHANNEL COMPARISON

	Total US Census	US Food Census	US Drug Census	US Convenience Census
Tinctures & Gummies	35%	38%	4%	58%
Topicals	33%	26%	73%	8%
Hand & Body Lotion	18%	21%	19%	11%
Bath & Shower	4%	7%	<1%	<1%
Tobacco & Alternatives	4%	<1%	<1%	20%

HEMP-CBD CENSUS – AVERAGE UNIT PRICE

Total US Census

\$19.74

US Food Census

\$20.00

US Drug Census

\$30.55

US C-Store Census

\$15.20

TOP 10 SELLING HEMP-CBD PRODUCTS IN CENSUS BRICK & MORTAR*

Hemp Bombs



Gummies
\$9.27

Reliva



Gummies
\$19.90

Reliva



Tincture
\$20.00

Medterra



Cream
\$45.05

Reliva



Cream
\$19.98

Hemp Bombs



Capsules
\$9.42

Shikai



Cream
\$28.44

Charlotte's Web



Cream
\$48.18

Shikai



Cream
\$9.53

Colorado Pure Hemp



Pre-Roll
\$13.94

HEMP-CBD CHANNEL RETENTION

	Retention (% of Purchasers stating they'll continue to buy channel in the future)	Channel Retention Rank (out of 20)
CBD Store	66%	1 st
Online CBD store	60%	5 th
Online direct from CBD manufacturer	58%	6 th
Convenience Store / Mini-Mart	55%	7 th
Chain Drug Store	50%	10 th
Chain Grocery Store	50%	11 th

HEMP-CBD PRIMARY CHANNEL

	CBD Store	Online direct from CBD MFR	Online CBD store	Chain Grocery Store	Chain Drug Store	C-Store
% of Channel Purchasers Above Who Rated Channel As Their Expected Primary Source For Hemp-CBD →	48%	46%	37%	29%	27%	17%

Channel Purchasers Above Rank For Their Expected Primary Source

	CBD Store	Online direct from CBD MFR	Online CBD store	Chain Grocery Store	Chain Drug Store	C-Store
CBD Store	1	3	3	6	4	3
Chain Drug Store	10	8	15	4	1	10
Chain Grocery Store	8	6	5	1	7	7
Convenience Store / Mini-Mart	13	11	12	9	13	1
Mass Merchandiser	7	5	8	2	2	8
Online CBD store	2	2	1	7	11	6
Online direct from CBD manufacturer	3	1	2	8	10	4
Online retailer sells variety of products	4	4	4	3	3	5
Vape / Tobacco Shop	6	9	9	10	5	2

- 2020 relatively stagnant (esp. in chain retail)
- COVID was a temporary disrupter, drove more consumers to online channels
- Format and price disparity across brick and mortar channels
- 2021 will likely see updated FDA guidance – will contribute the growth and speed of adoption in traditional retail