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7 retailer and brand owner questions answered about hemp CBD

The latest issues are answered about the hottest natural product in the history of natural products.

Todd Runestad | Jun 04, 2019

1. How are hemp CBD products made?

A variety of methods can be used to extract CBD from the hemp flower to produce a hemp oil product. It's important to look for a brand that's transparent about its extraction methods. Are any hexane or GMO solvents used? What type of carrier oil is blended with the hemp extract? Is the oil organic, and does it enhance the absorption of the hemp CBD as does organic MCT oil? Are there additives such as natural flavors or GMO ingredients? Does the seller provide third-party product testing?

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2. What about brand and retailer concerns about the legal position of hemp CBD?

At every step of the way for the past five years, hemp CBD companies have defeated legal and regulatory concerns. But of course not without hiccups. The 2018 Farm Bill did three broad things: get the DEA out of hemp, devolve legal and regulatory authority to the states , and kept the FDA in the game as hemp CBD relates to dietary supplements (i.e., making illegal drug disease claims). Check with your local state to see just what the status is there, and the U.S. Hemp Roundtable is a good place to start. For additional information, check out the Nutrition Business Journal Hemp & CBD Guide .

Related: Natural Products Expo educates retailers on CBD products

3. Can I get clarity on full spectrum hemp oil vs. CBD isolates?

The FDA approved as a drug a CBD isolate, Epidiolex. By law, once a compound is first approved as a drug, it can not later become a dietary supplement. That means I would definitely shy away from using an isolate (except in topicals/cosmetics, which is why mass market drugstores are going in with CBD only in this format). Depending on your risk tolerance, you might be okay with using an isolate since the FDA hasn't exactly been aggressive about going after hemp CBD companies of any stripe—and when it has, it has issued Warning Letters to companies that violate its drug-disease claim statute. To me, the two lowest-hanging fruit that a company should not violate are claims and using an isolate.

4. Is the CBD organic?

On the topic of organic CBD, how we grow crops has a major impact on our environment and on climate change. "More than 70% of all hemp planted in the U.S. is grown using chemical fertilizers that taint our streams, rivers and oceans via runoff," said John Roulac, founder and Chief Hemp Officer of RE Botanicals, which won the 2019 NEXTY Award for Best New Hemp CBD Supplement. "Organic farming helps build healthy soils while sequestering carbon from the atmosphere, which lessens the impact of climate change." Many hemp brands claim to be organic but have no documentation, so just look for the USDA organic symbol. When you choose certified-organic hemp, you're voting for a better future.

5. I hear that a lot of hemp CBD products are testing poorly. What about brand and retailer concerns about supply integrity?

You should most definitely be concerned about this. When the FDA issued its second round of warning letters, in 2016, it tested CBD products to see if they met label claim. Of 13 products that made nutrient content claims for CBD, only two passed. The obvious solution, whether you are a brand or a retailer, is test, test, test. Find a quality testing lab, like Eurofins or SC Labs, and send in your ingredient or brands, to see if it matches the Certificate of Analysis you received. There is reportedly a significant variance depending on the lab you use, upwards of 25%. That's because there is no harmonized, universally accepted method for validating cannabis/hemp. (This is a problem that plagues the larger supplements market as well.)

6. What is the pricing direction on hemp extract?

Only one way: down. This goes for everyone throughout the value chain—farmers maybe two years ago may have made \$100,000 an acre. In 2019, maybe you can get between \$5,000 and \$25,000 an acre, depending on how good of a farmer you are.

7. What other info you have that would be helpful to folks interested in the space?

We cover hemp CBD at NewHope.com as well as our sister publication, NaturalProductsInsider.com. And we have daylong hemp CBD educational sessions at our Natural Products Expos. Streams to watch the day's proceedings can be found here for Expo West 2019 and here for Expo East 2018 . At SupplySide West , in Las Vegas this October, we will cover the industry from the seed and soil to the brand builder aspect of the business.



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