

# The CBD Craze –

## *Grocers Ask FDA for Clarity in the Wild West of CBD Sales*

“CBD is everywhere. How will the government handle it?” “CBD goes Mainstream.” “Hemp’s Path to Retail”

These are titles of articles from Progressive Grocer, Time Magazine and Consumer Reports. Winsight Grocery Business calls CBD “arguably the hottest and most ambiguous retail topic of 2019.” A recent Consumer Reports survey found that more than a quarter of Americans say they’ve tried CBD, while one out of seven of those people said they use it every day. Given the significant consumer interest, more and more companies are taking steps towards entering this space.

A Progressive Grocer article reported that “The hemp-derived CBD category is predicted to grow to \$22 billion dollars by 2022. As a result, a wide range of retailers — especially grocers — are exploring how CBD can bring in new shoppers, grow foot traffic, and help expand the health and beauty category. In addition to incremental growth opportunities, CBD products offer attractive profit margins.”

### What is CBD oil?

CBD is one of many naturally occurring compounds, known as cannabinoids, in the cannabis (marijuana) plant. CBD oils are oils that contain concentrations of CBD. Marijuana contains both THC and CBD, but these compounds have different effects. THC creates the “high” when people smoke or ingest it. CBD does not produce these psychoactive effects.

Unlike THC, research has shown that CBD has many beneficial effects when dealing with seizures, anxiety, and more. CBD can be extracted from large quantities of hemp. Hemp-derived CBD comes in many product forms, from oil tinctures to topical creams. When CBD is ingested or applied to the skin, it is believed to interact with the body’s endocannabinoid system, which regulates functions such as mood, appetite and sleep.

Georgia consumers are currently purchasing CBD oil online, in vape shops, and some health food stores and convenience stores. A google search of “where to buy CBD in Georgia” will show you the many options, including CBD stores, which are popping up all over the Atlanta area. Nuts and Berries, a “healthy market” in Brookhaven had an event in August where they invited guests for free CBD clinics and the opportunity to “sample CBD from the largest selection of hemp derived CBD products in the Southeast”. Along with topicals and oils, their website includes CBD products ranging from gummies, honey, coffee, tea, mints and dog treats.

### The Farm Bill Changed the Landscape

Questions on the legalities of CBD and CBD food products come into the GFIA office on a regular basis. The passage of the 2018 Federal Farm Bill removed hemp from the definition of “marijuana” and excluded THC in hemp from scheduling under the Controlled Substances Act. It also allowed states to develop their own programs for licensing and regulating hemp (See Georgia’s Hemp Farming Act) and required USDA to develop a federal program. The bill did not alter the FDA’s authority over the use of hemp or hemp-derivatives in FDA-regulated products.

Many companies believe that this industry is far too large to remain unregulated and that the lack of FDA regulations is creating confusion in the marketplace. The FDA and Georgia’s Commissioner of Agriculture, Gary Black, are very clear that hemp-derived CBD cannot be legally marketed as an ingredient in food, beverages or dietary supplements. The FDA says CBD is listed as “an active ingredient in a drug product,” called Epidiolex—an FDA-approved treatment for epilepsy, owned by GW Pharmaceuticals. For this reason, the FDA considers all food, beverages or dietary supplements containing CBD to be “adulterated” or “misbranded,” according to [Hemp Industry Daily’s](#) recent Farm Bill report.

Despite FDA's current position, the number of foods, beverages, and dietary supplements that contain CBD continue to grow. Retailers and manufacturers are searching for direction through the maze of federal, state and local laws and regulations. Some retailers are deciding to carry only topical CBD products, others are carrying a full line of products; while more cautious companies are waiting for FDA's approval. Even traditional grocers and drug stores are getting into the business.

The FDA is reviewing its position, which may result in proposed regulations; however, if or when that change will occur is still unclear. At the same time, some states have enacted legislation that permits the production, sale and use of CBD in various forms.

The Food and Drug Administration recently held its first public hearing for information about cannabis -derived product. Over 120 people spoke to a standing-room crowd, the majority talking about the benefits of CBD products. (Over 400 people applied to testify at the nine hour meeting, but a lottery determined the 120 who spoke)

### Confusion in the Marketplace

FMI President, Leslie Sarasin, understands that the patchwork of state laws regulating cannabis and cannabis-derived products, coupled with the lack of federal standards for the use of hemp-derived CBD in manufactured products, has created mass confusion for the public, suppliers and retailers, and also state regulators. As consumer interest in these products continues to grow for both human and animal use, the need for FDA regulations are necessary.

In a letter submitted to the FDA, Sarasin says that "FMI respectfully urges FDA to move swiftly to provide guidance on a lawful pathway to market for hemp-derived CBD products in order to ensure such products meet applicable quality and labeling standards, as deemed appropriate by FDA. Furthermore, in addition to uniform quality and labeling standards, we also request consistency in enforcement across distribution channels.

CBD products are indeed becoming mainstream and are in high demand. Our grocers are eager to deliver quality CBD products to their customers, who look to their local supermarket to provide products they can trust to be accurately labeled and manufactured with integrity.

Go to [www.GFIA.org](http://www.GFIA.org) for more articles and information on the topic of CBD and medical marijuana.

## Georgia's Hemp Farming Act

This year, Georgia legislators passed HB 213, the Georgia Hemp Farming Act, which allows farmers to obtain licenses to grow and process hemp. The definition of "hemp" includes any part of the cannabis sativa L. plant and all derivatives, with no more than a 0.3% concentration of THC. Under the federal 2014 Farm Bill, higher education institutions and state agricultural departments were authorized to develop pilot programs and cultivate industrial hemp for research purposes.

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Under GA's hemp licensing program, the state Department of Agriculture will issue hemp grower licenses and hemp processor annual permits. Grower's permits will range between \$50-\$5,000. Processors will pay an initial fee of \$25,000, which is reduced to \$10,000 for each subsequent year, along with a surety bond of \$10,000. (More details at GFIA's website.)