

Cannabis companies know a good opportunity when they see it, and many see a potential gold mine in hemp. Established names in the medical and recreational cannabis spaces are moving quickly to seize the moment, now that hemp has been unleashed.

When Congress passed, and President Trump signed, the 2018 Farm Bill last December, it was a watershed event in the history of the cannabis plant in America. Industrial hemp finally became legal from coast to coast, and the smartest operators were poised to take advantage of this groundbreaking development.

A Whole New World Ruled by Hemp

“It’s a whole new world, [with] whole new rules of engagement,” says Kurt Forstman, the Vice President of Corporate Business Development of Dixie Brands, in regards to their new hemp line, Aceso.

[Aceso Hemp](#) sells non-prescription health products with cannabidiol (CBD). While hemp has an enormous number of potential uses, it is hemp-derived CBD currently dominating the market and it is CBD which offers cannabis companies a chance to boost their profit margins substantially.

Colorado cannabis companies like Aceso Hemp and [Mary’s Nutritionals](#) were manufacturing and selling CBD products even before hemp was legalized. But now they will be free to promote their product lines nationally, opening up new vistas unavailable to cannabis retailers in the past.

The piecemeal nature of cannabis legalization in the U.S. has confined most cannabis companies to their states of origin. This situation may not endure forever, but at least for now, there are artificial barriers preventing efficient cannabis enterprises from developing to their full potential.

With hemp, there are no longer such obstacles, which is why so many are anxious to hop on the CBD bandwagon as quickly as possible. Another Colorado cannabis company leaping feet first into hemp is Denver-based Cheeba Chews, which has been selling flavored cannabis edibles for medical use since 2009.

“While our cannabis-infused chews continue to make people happy in legalized states, we wanted a way to reach EVERYONE,” [the Cheeba Chews website explains](#), as a way to introduce its new line of CBD-infused products.

It is worth noting, Cheeba Chews is not in a position to throw caution to the wind: the company is privately-owned and has funded its expansion entirely from its business revenues. “We haven’t taken a dime of credit or investment,” said company CEO and founder James Howler in [a 2016 interview](#).

The company’s willingness to sink their own hard-earned profits back into the business to expand into hemp underscores the potential they see in the burgeoning CBD market. From the standpoint of insiders, hemp looks like as close to a sure thing as they could hope to find.

This optimism is shared by impartial experts. According to the Brightfield Group, a leading market research firm specializing in cannabis, hemp is poised to surpass [the \\$22 billion mark](#) in annual revenues in the U.S. by the year 2022. Representing a 275 percent increase from 2018, health and personal care products containing CBD are expected to lead the charge.

This is the very definition of explosive growth. Companies with some experience in CBD production should have a leg up in the competition for consumer dollars.

The Aceso Plan for Dominance

Aceso Hemp is banking on three factors to push them to the top of the hemp-derived CBD industry.

First, there are the lessons they learned during their initial foray into the CBD marketplace, which ultimately came back to earth after a promising start. The company wasn't prepared to meet the rapidly rising demand for their products, which led to an erosion in sales of their Dixie Botanicals subsidiary. This time, Forstman states, the company is determined to build a top-notch supply chain flexible enough to handle high numbers of orders, which everyone is anticipating once hemp begins its ascent.

In addition to developing a robust distribution infrastructure, Aceso hopes to gain a sustainable foothold in hemp by observing all FDA rules, strictly and to the letter.

“The goal is to have the highest level of compliance possible with your products,” Forstman explains. “If you're compliant, that means you can go into mainstream retail, like Walgreens, or CVS, or Kroger, or ShopRite, or Wakefern.”

The FDA has yet to issue its final regulations for hemp-derived CBD. For now, it is being regulated like a nutritional supplement, under the Dietary Supplement Health and Education Act (DSHEA). Aceso is treating DSHEA regulations as gospel, which Forstman says 75 percent of hemp businesses are failing to do.

“Hemp will be in every major retailer over the next year,” he predicts, “and if companies don't adapt, they are going to fail.”

The third advantage of Aceso is their long experience with CBD.

“We understand cannabinoids really well,” says Forstman. We know the science.” He points out many hemp businesses are owned by private equity firms and other investors with limited knowledge of hemp or CBD.

In the early stages of hemp legalization, fly-by-night operators may be attracted by the bright lights and the bull market predictions. But companies which know the business inside and out should have a better chance of thriving.

Hemp and CBD Today, Cannabis Tomorrow

Opportunities abound for cannabis companies opting to include CBD products in their catalogs. Research is confirming the effectiveness of hemp/CBD supplements, oils, creams, balms, tinctures, food toppings, drink mixes, and other assorted preparations against a broad variety of health problems. These products are highly attractive to people with medical issues who are interested in cannabis but are reticent about consuming products with THC because of the euphoria they produce.

In addition to the potential for profits in hemp right now, cannabis companies undoubtedly have their eyes on the future, when federal legalization of medicinal and recreational cannabis may become feasible. Naturally, if products containing THC eventually become legal everywhere, brands establishing a coast-to-coast presence through hemp will be well-positioned to take advantage of this new reality.

Dixie Elixir and Cheeba Chews, for example, already sell prescription cannabis products containing THC. If federal legalization opens new doors for interstate commerce, they'll have the infrastructure in place to become major players overnight, thanks to their involvement with CBD. Incorporating hemp products into their catalogs makes sense from every angle, and the downside appears to be non-existent.

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