

Licensing Cannabis: A Giant Step Forward

Licensing provides smaller brands the opportunity to bring CBD products to market with very little financial risk.

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What do you get when you marry one of the largest product trends in recent decades with one of the most respected business growth strategies?

Opportunity.

For the first time in its 35-year history, Licensing Expo – the world's largest and most influential brand licensing event, which took place in Las Vegas last week – expanded to include cannabis wellness companies in its lineup. The Hemp & Cannabis Marketplace featured 12 brands in the cannabis wellness space displaying products for ranging from chocolates, skin care and personal lubricants to infused olive oils, healing balms and more, for consideration to further penetrate the mainstream market via licensing partnerships.

Allison Ames, CEO and President of Beanstalk, a preeminent brand extension agency says the addition of the cannabis category was met with a warm welcome.

“Cannabis, CBD and hemp are set to disrupt virtually every consumer industry – food and beverage, spirits, beauty, health and wellness, home and garden, tourism, and more,” Ames said. “There was an overwhelming level of interest in the category at Licensing Expo from those looking for education about the

cannabis industry overall and for trusted brands with which to partner.”

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Drake Sutton-Shearer, CEO of PRØHBTD, the consumer goods and content company that curated the Marketplace shares the same sentiment.

“The amazing response and enthusiasm from those who visited the Marketplace reinforced our belief that mainstream brands, manufacturers and retailers are ready to partner with leading companies in our industry. ” Sutton-Shearer said.

Mathew Gerson, Creator & Co-CEO of Foria Wellness, was at the Expo, showing his line of unique products for pleasure enhancement, pain relief and overall wellness. He said that for many attendees at the show, visiting the Marketplace was as much educational as it was exciting.

“Most visitors to our booth had no idea of the range of therapeutic gifts Cannabis and Hemp have to offer us,” Gerson says. “It’s our responsibility as stewards of our fledgling industry to ensure that the transition into the mainstream world of commerce and commodities is done in such a way that prioritizes what matters most. We are seeing some positive early signs out there that this is possible.”

The burgeoning industry is showing positive signs for sure.

The U.S. market for federally legal hemp CBD was approximately \$390 million in 2018 and reports project the market to reach \$22 billion by 2022. In addition, research shows that branding matters. Hemp Industry Daily published results from a survey by High Yield Insights in which 35 percent of respondents said they were more likely to purchase CBD from a known brand and 37 percent said they were “excited” about the prospect of buying new cannabis products from other recognized consumer packaged goods (CPG) companies.

The huge potential of the market, the perceived importance of branding and the steady advancement into the mainstream is great news for producers and sellers of hemp and CBD products and those who are interested in partnering with them through licensing.

Over the past year, several celebrities have lined up to license CBD products. Former NBA star Lamar Odom lent his name to a line of CBD vape pens via Five Star Juices. Kathy Ireland penned a deal to license her brand to Level Brands, for which she is chief brand strategist. Martha Stewart recently joined Canopy Growth Corp. as an advisor as the company develops CBD products across multiple categories, starting with pet products.

Related: The Definitive Guide to Licensing: When You Get a Great Idea, What Do You Do Next?

Attendees prowled the aisles at the Expo, looking for similar would-be-successes.

“Not only was the Marketplace an amazing opportunity for CBD Living to grow its brand and connect with influential people, but it demonstrates just how important CBD and hemp are becoming in the global marketplace,” said Bill Di Segna, CEO and Founder of CBD Living, which sells everything from CBD-infused water to pet products.

“By exhibiting, we are continuing to be at the forefront of this beneficial – and lucrative – industry.”

For those in the CBD industry, in addition to opening new revenue streams and breaking into new markets, licensing provides the opportunity to get CBD products to market with very little financial risk and without having to build marketing, sales and distribution networks – a major advantage to smaller manufacturers and retailers. For recognized consumer packaged goods companies, licensing CBD products now gives them a head start in the race for market share in the

hot and – what promises to be – sizable CBD market.

Troy Meadows, Cofounder and Marketing Director of Legion of Bloom, a Northern California cannabis company winning awards for its sustainable, conscious cultivation and extraction practices, took full advantage of the expo as an opportunity to rub shoulders with some of the most influential companies, brands and people in the world.

“With so much attention and interest surrounding The Hemp & Cannabis Marketplace throughout the convention, it’s been amazing to help bring credibility and presence to our industry,” Meadows says.

The licensing industry is already responding. On June 3, PRØHBTD announced a trailblazing exclusive agreement with Beanstalk, the preeminent brand extension agency. Beanstalk will have exclusive representation of PRØHBTD’s portfolio of consumer brands including Hemptathy, a hemp-based cosmeceutical line, and Ceeby Dee’s, a hemp-derived lifestyle dietary supplement, as part of a global initiative to expand hemp licensing around the world, with future plans to also include CBD and cannabis.

Results of the Expo could be an early predictor of the success of what Sutton-Shearer calls the “branded products phase” in the CBD industry. The industry – and consumers – are eagerly watching to see what emerges.

Brands featured at The Hemp and Cannabis Marketplace included CBD Living , Kiva Confections, Legion of Bloom, SoK0 Cannabis Creations, The Patch Co., Hemptathy, Heavy Grass, Futurola USA, PRØHBTD, Ceeby Dee’s Hangover Recipe, Foria Wellness, and Jushi Inc.

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