

CBD: Trending ingredient or ingredient trend?

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Hemp and cannabidiol (CBD) have been tipped as a top ingredient trend for 2020 having rapidly becoming the darlings of the functional food space.

According to consultancy Hartman Group, CBD is 'poised to be a major disruptive force across a number of markets but none more so than food, beverage, and health and wellness'.

"CBD is tapping into some deeper-rooted drivers consumer have around the connections between microbiome and emotional wellness," Hartman noted.

As a result, the global CBD market is accelerating at a tremendous pace. Research from New Frontier Data highlights the opportunity. According to the insight provider, in the US alone the CBD market will triple in size, growing from a value of US\$390 million in 2018, to a \$1.3 billion market by 2022.

And, as New Frontier's vice president and senior economist, Beau Whitney, highlighted in a recent presentation, the worldwide opportunity is 'tremendous'. *"The market is expanding globally and is evolving quickly... This is just the beginning of the global opportunity."*

CBD: Putting the science ahead of the hype

CBD is a derivate of the cannabis plant. Unlike THC, which is responsible for cannabis's 'high', CBD is not psychoactive.

CBD has been linked to a number of positive health outcomes. In medical uses, robust evidence points to its use in treating some symptoms of childhood epilepsy, such as Dravet syndrome and Lennox-Gastaut syndrome (LGS).



In the FMCG space, CBD is commonly associated with reducing anxiety, insomnia and different types of chronic pain.

"CBD has been shown to help tackle a range of health issues such as anxiety and it provides a welcome natural basis to a new range of cosmetic products," Skirmantas Nikstele, CEO and co-founder of Europe's largest hemp supplier Agropuro, told FoodNavigator.

However, much research into CBD's impact on health still in its early stages, Nikstele stressed. *"I think when any new range of products start to quickly gain in popularity it is important not to get carried away with the hype. CBD is undoubtedly a very flexible and beneficial product. However, consumers should be cautioned against believing it is some form of 'wonder drug' - there is no such thing. Producers should also be wary about over promising and under delivering. The result will be disappointed consumers and a fall in confidence and demand."*

Regulatory uncertainty and compliance complexities

The biggest headache in 2020 for manufacturers working in CBD will be navigating a challenging regulatory environment. Unlike hemp – which is legal in the EU and other markets – the legal status of products containing CBD is far from clear.

In the European Union CBD falls under the Novel Food regulation, meaning it requires pre-market authorisation. However, some industry bodies and CBD manufacturers argue that the process of extraction – and whether it was used in the EU before 1997 when the Novel

Food regulation came into force – determine whether the ingredient is indeed defined as a Novel Food. To complicate matters further, each EU member state can take an alternative position.

Currently, this regulatory uncertainty is one of the main barriers preventing larger companies entering the CBD space. However, Lennart Holmgren of LH Healthpharma Consulting, a consultancy specialising in the Nordics, believes this situation could change.

Holmgren, told this publication that he has seen strong interest from his 'bigger clients' requiring status updates on the status of CBD to assess when they can approve launches in the space.

"I think larger brands will come into the market when it is regulated in a proper way. They will have the power to get Novel Food approval and documentation to get product specific claims," he predicted. "The bigger brands will come out with high quality products. But they know that it is not possible based on existing regulations."

Quality and supply challenges

Another significant risk factor facing CBD is the reputational damage that could be dealt to the fledgling industry by poor quality supplies or – worse still – a major health scare.

Throughout the FMCG space, consumers are demanding transparency. But booming demand for CBD products presents manufacturers with challenges around quality of supply.



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Recent research from CBD supplier TTS Pharma highlighted the issue.

Hemp is naturally photo-remedial, meaning it has been shown to contain a variety of harmful contaminants absorbed from the environment. Independent analysis demonstrated the presence of impurities in some of the 'leading' CBD products on the market today, according to TTS Pharma. These included heavy metals, pesticides, benzopyrenes and polycyclic aromatic hydrocarbons.

"Given that these highly popular products on the UK market were tested and shown to contain a number of potentially dangerous contaminants, it is likely that a large number of people in the UK have ingested those illegal and/or dangerous substances," Mark Tucker, CEO of TTS Pharma, warned.

This is clearly a priority issue that the sector must respond to – the need to deliver traceable and safe products is paramount. A significant health or safety scare has the potential to stop the high-growth but fledgling CBD sector in its tracks.

FoodNavigator is co-hosting a two day **CBD Global Summit** in London, 16-17 March 2020. The event will bring together the science, business and regulation governing CBD to look at how businesses can unlock this important market opportunity.

For more details, to check out our advanced programme, and view confirmed speakers, visit the [CBD Global Summit](#) website.



CBD Global Summit