

Cannabis & Hemp

MONTHLY PLAYBOOK

DECEMBER 2021



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Dear Reader,

We want to thank you for your trust, and most importantly, your time. With the endless amount of resources at your disposal, we appreciate you leaning on us as your guide through the muddy waters of this industry's limitless news and intelligence.

In an industry that changes as aggressively as ours, we can't stress the importance of effective decision making enough. Though the information in the report is never meant to dictate specific actions or guarantee certain outcomes, we hope that we're able to provide another voice in the room, one that illuminates, simplifies, and supports you.

If you find one area more helpful than others and want us to expand on it, please never hesitate to reach out. For any suggestions or questions, we can be reached directly at info@8threv.com

Welcome to the Revolution



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IN THIS ISSUE

DECEMBER 2021

Progressing Toward a New Year

Kellen Finney, *Eighth Revolution*

As we head into the final month of the year, the cannabinoid industry continues to move forward. Progressive conversation from both sides of the aisle in Washington, paired with strong reports from the public cannabinoid industry spurs optimism going into 2022. Several farmers we spoke with said they believe the oversupply of CBD biomass from 2019 has come to an end which could explain the stability in CBD biomass prices after this year's harvest. Wholesale prices of CBG and CBD continue to trend towards each other resulting in CBG becoming more available to consumers. California grew three times the amount of cannabis this year, compared to the amount that was consumed last year, leading to the state's first major supply and demand compression. These growing pains foster innovation and maturation of the industry as a whole.

Are You Ready for 2022?

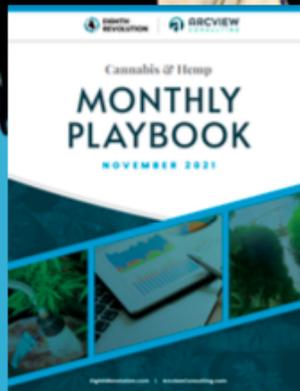
Bryan Fields, *Eighth Revolution*

As 2021 winds down and companies close out the last month of the year, it's easy to push planning of objectives and initiatives into the new calendar year. Now is the best time to start with preparing objectives and goals. Now is the best time to ink the deal with the partner you've been conversing with. This industry moves quickly and starting now will help you kick off 2022 on the right foot.



ARE YOU LOOKING TO CONNECT

WITH CANNABINOID INDUSTRY OPERATORS,
EXECUTIVES, AND INVESTORS?



We have openings for monthly sponsorship opportunities.
Email Bryan@8threv.com. Limited availability.

“

Support for Legal
Marijuana Holds
at Record High of

68%

Gallup

Letter From The Team,

Representative Nancy Mace is the newest Ms. Popular in the cannabis space. The first-year Republican from South Carolina introduced a bill last month that would end the federal prohibition on cannabis. The bill has a ton of specifics most people can agree upon but the one issue that seems to cause concern is interstate commerce. Currently, cannabis cannot legally cross state lines and instituting interstate commerce would allow for this to happen. This change would be a massive shift in the way the cannabis industry currently operates.

Noise about interstate commerce and how regulations would change the current state of MSOs, as well as how the industry operates today, continues to be loudly shared because of how much it would shift the current space. Business Insider shared takeaways on this bill. "A lot of the rules around cannabis would look like alcohol regulations." This should not come as a surprise as most of our guests on The Dime have shared insights on how the cannabis industry will operate similar to others. Use the playbook (no pun intended) those other industries have used to operate safely and efficiently to quickly establish a baseline.

"Cannabis products in interstate commerce would be treated in the same way as alcohol. Those looking to participate would need a

permit issued by the secretary and would have to abide by each state's cannabis laws."(1)

With the introduction of the bill, questions and concerns have started to come across our desk. How do we prep for these specifics without knowing which will ultimately be accepted as final?

Our first question would be: **What is your North Star Metric?**

"The North Star Metric is the single metric that best captures the core value that your product delivers to customers. Optimizing your efforts to grow this metric is key to driving sustainable growth across your full customer base." (1)

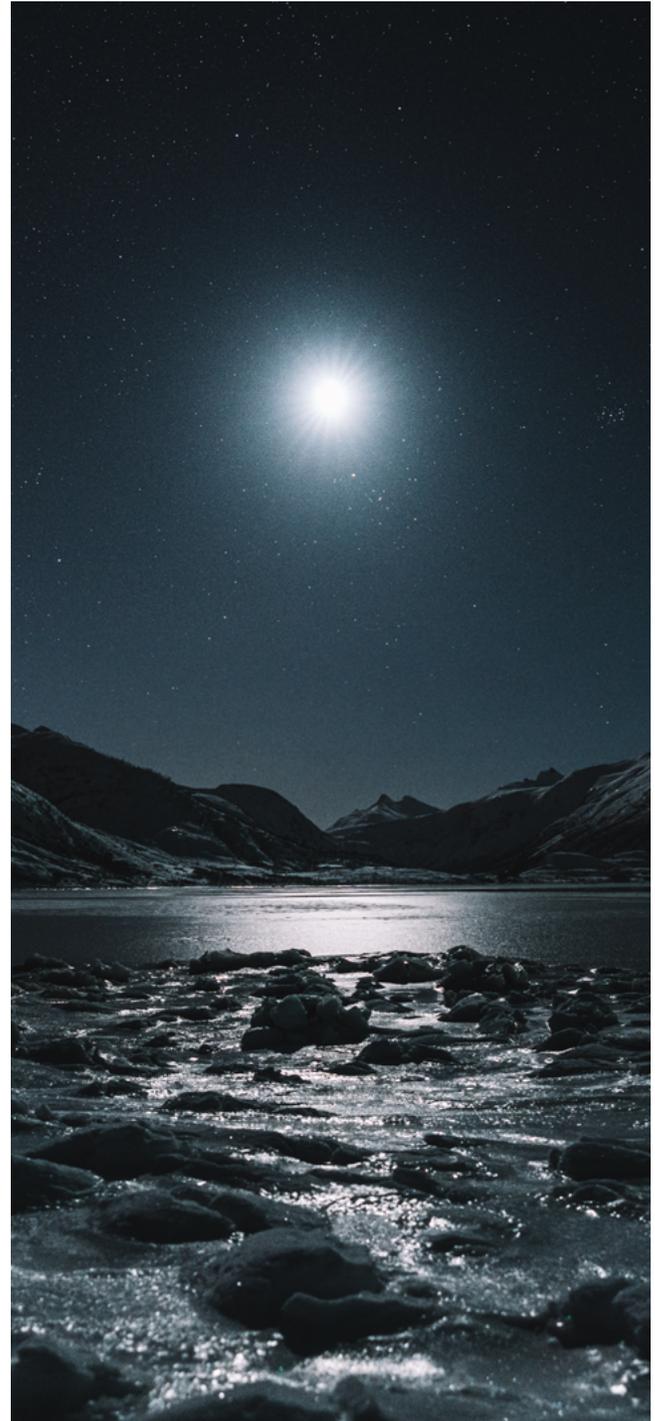
Metrics of success differ across organizations, but the one true north star should be how you align ops growth and future unknowns. With the introduction of Rep Mace's bill, the [#statesreform](#) act has generated a flurry of questions and analysis will continue. Understanding the components and the timeline of the next steps are important. Control what you can and continually work toward your north star.

Letter From The Team,

So, what is your north star? How does your company define success on your north star? Each day that passes are you focusing your organization's efforts toward achieving and building a sustainable business? We've always communicated to our partners that the industry will likely change, but the extent of these drastic changes remains to be seen. How drastic the changes and what are the new specifics remain to be seen. When it comes to preparing for this unknown, remember that you can only prepare for what is within your control. Investing resources into your north star, staying flexible and always being prepared for a pivot are a few ways to set yourself up for success. Prepare for what you can control, which is investing resources toward your north star and stay flexible. Flexibility and agility will allow you to keep an eye on the future with an understanding that pivoting may be necessary. Having that availability and resources on the ready for those moments will be valuable as you continue to operate in a federally legal industry.

It's safe to anticipate the end of prohibition, but with it will come adjusted measures, new lists of requirements, and of course, it's own set of unique challenges.

Good luck and let us know how we can help you achieve your goals and continued success.



Looking Ahead to 2022 in Cannabis



2022 promises to be a massive year for the global cannabis industry.

Noteworthy 2021 Trends 2021 was another mad rush of activity and positive developments across the industry. A few major trends from this year are:

Cannabis M&A Insanity:

Every day a massive new deal – Veridian says there has been 186 US-targeted M&A transactions through October with a record \$8.3 billion in total consideration.

DTC Explodes:

Pushed by the COVID-19 pandemic, associated lockdowns, and work from home trends, Direct to Consumer (DTC) finally came to cannabis, mirroring national retail trends. Concentrated in California, major companies like Kiva Confections and Old Pal began ambitious DTC programs.

Historic Public Support:

A Gallup poll in November found record support across party lines with 68% of American adults approving of cannabis legalization

What's Coming in 2022

MERGERS & ACQUISITIONS:

Expect Cannabis M&A to continue unabated in 2022 with more and bigger deals. If major federal reform, SAFE Banking, or full federal legalization (see Federal Reform below) happen, M&A could accelerate at an unprecedented rate.

EQUITY CROWDFUNDING:

Crowdfunding has been around since the early days of the cannabis industry but hasn't caught on in a major way. That looks to change as more platforms come online. "Given the ongoing limitations on the ability of cannabis industry issuers to access traditional sources of capital," says Phil Rothman, CEO of Arcview Capital LLC, "crowdfunding offers startup businesses the chance to take their opportunity directly to investors."

Due to the uncertainty of legalization both in terms of timing and what the rules will be when it does happen, crowdfunding can provide an immediate opportunity to reach the capital markets for equity funding. "Our view is that crowdfunding in the cannabis industry will continue to expand for the foreseeable future," Says Rothman.

Want to learn more? Check out Arcview Capital's new equity [crowdfunding platform](#).

STATE ELECTIONS:

Several years ago, the talk among activists and industry insiders was that the ballot initiative was largely done with. Reform would have to come from state legislatures and Congress. All the states with ballot initiatives and good prospects for reform had been exhausted. 2022 shows there is still a considerable amount of reform that can happen at the ballot box.

“There are several prospects for legalization in 2022 at the state-level,” says Violet Cavendish, Communications Director at the Marijuana Policy Project (MPP). “MPP is currently focusing on legalizing and regulating cannabis via the state legislatures in Delaware, Maryland, and Rhode Island, all of which are viable to pass legalization in 2022. Missouri, Ohio, and Arkansas are states that are likely to have cannabis legalization initiatives on the ballot next year. Victories at the state-level in 2022 would increase pressure on Congress to enact federal cannabis reform.”

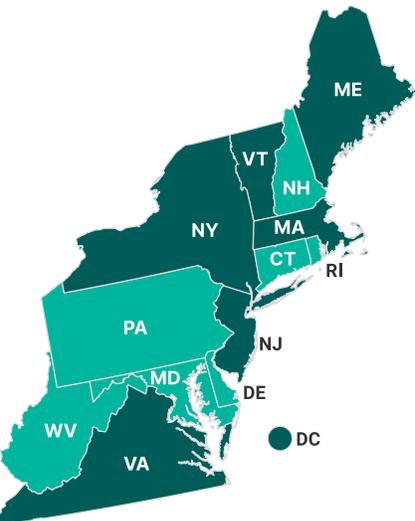
Medical cannabis may also be on the ballot in Wyoming and Nebraska. State legislatures are still important for cannabis to make big gains in 2022 (see Northeast Cannabis Corridor below), and keep an eye out on Kansas. The Sunflower State may just become the 38th medical cannabis state in early 2022 with the state House already approving legislation last year combined with a supportive state Senate and Governor’s office.



NORTHEAST CANNABIS CORRIDOR:

2022 will see a flurry of activity in the Northeast corridor. Legal sales could begin for new adult recreational markets in Vermont, Virginia, New Jersey, and Connecticut. New Yorkers will have highly anticipated rules and regulations set in place, and applications for licenses will begin to be accepted.

Expect a major push from state legislatures in Pennsylvania, Rhode Island, Maryland, and Delaware to create legal adult recreational cannabis markets. And you just might see legal sales to all adults begin in our nation’s capital, Washington, DC.



FEDERAL REFORM:

The final frontier of cannabis reform in the US always appears to be just within grasp but never quite happens. Will 2022 be any different? The SAFE Banking Act has the most support in DC in both chambers of Congress but looks set to not make it through the Senate.

Senate Democrat Party leadership want comprehensive legalization in the form of Charles Schumer's Cannabis Administration and Opportunity Act rather than bringing about reform piecemeal. The votes for comprehensive reform do not appear to be there in a closely divided 50/50 Senate.

On a more positive note, Nancy Mace (R-NC) introduced a comprehensive cannabis reform bill, and it was introduced with the support of the Republican Party. The State Reform Act has little chance of passage while the Democrats control the House and Senate but further support of federal legalization by both parties is always a welcome sign.



INTERNATIONAL:

Don't forget about the rest of the world. Reforms are taking place all the time in every corner of the globe. To highlight two areas of major reform; Mexico appears to be on the verge of legalization after coming very close in 2021. Mexico would become the largest adult recreational market in the world.

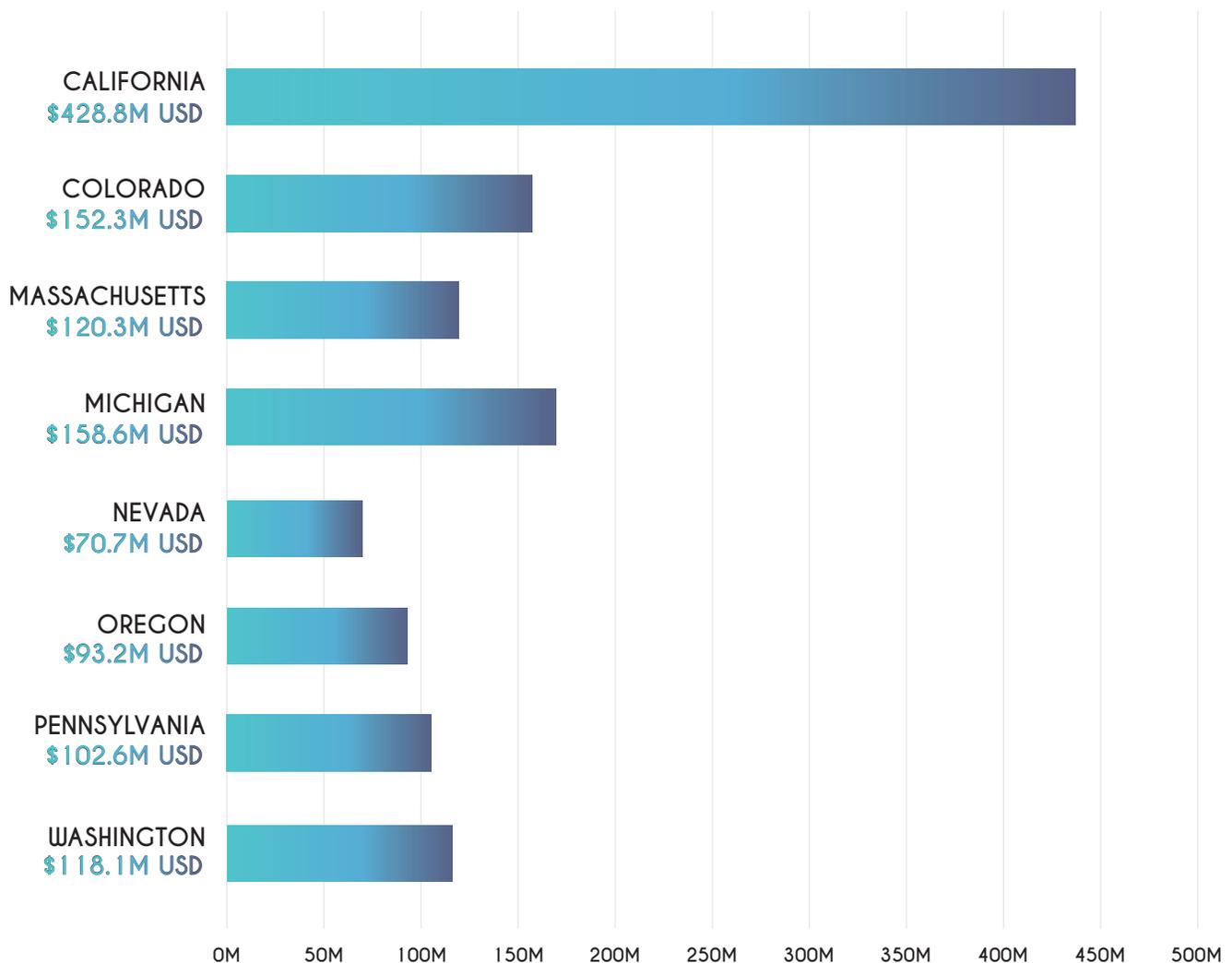
In Europe, Germany, Switzerland, and Malta are lining up to be the first countries in the EU to legalize recreational cannabis.

CANNABIS MARKET OVERVIEW

NOVEMBER 2021



TOTAL SALES BY STATE FOR THE MONTH.



Average Basket & Count of Basket



CALIFORNIA

Count of Basket
6.9M



COLORADO

Count of Basket
2.8M



MASSACHUSETTS

Count of Basket
1.6M



MICHIGAN

Count of Basket
2.1M



NEVEDA

Count of Basket
0.9M



OREGON

Count of Basket
2.3M



PENNSYLVANIA

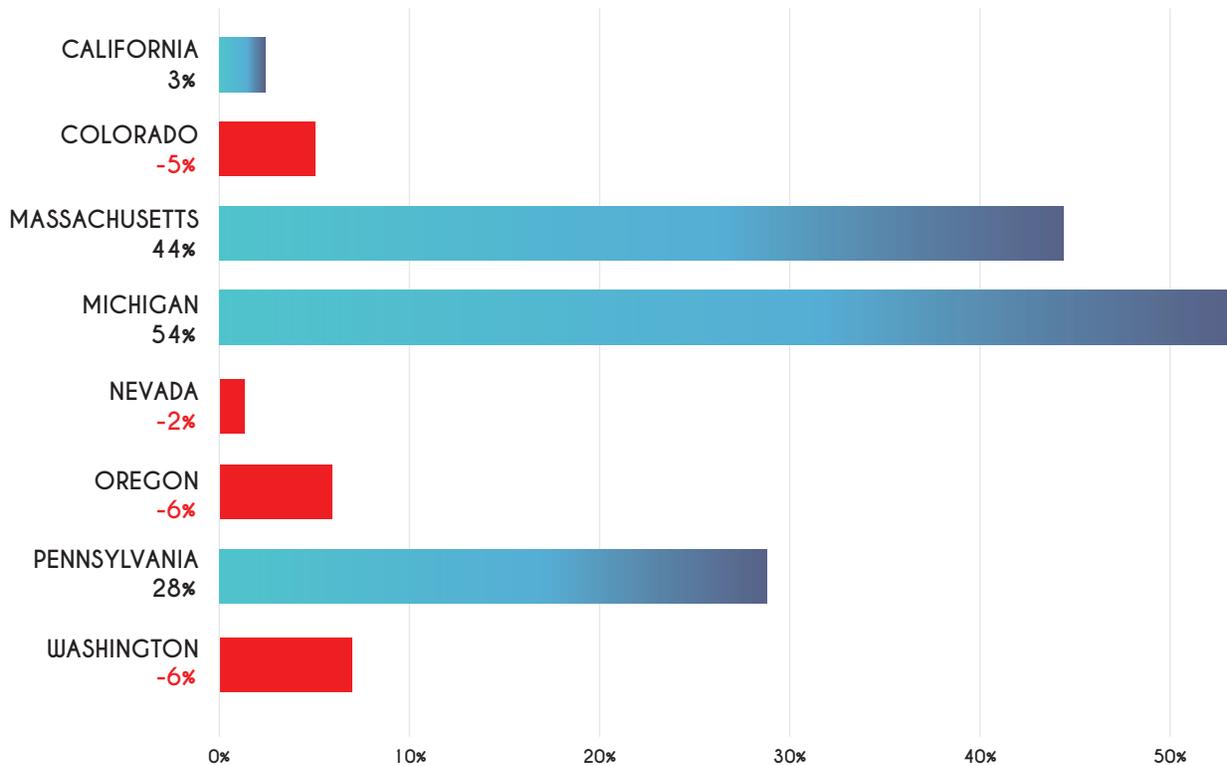
Count of Basket
0.8M



WASHINGTON

Count of Basket
3.4M

YOY SALES GROWTH



Sky's the Limit for North American Vape Market

In an ongoing report series, GreenTank, Headset, and Arcview Market Research analyze quarterly YoY (Year over Year) sales data, brand, and product trends in the North American vape market. What we've found is a cannabis product format growing quickly and consistently with a lot of room to run.

For example, 27 million vape units generating \$900 million in revenue were sold in Q3 2021 alone. Stated another way, that's almost a billion dollars per quarter in gross revenue in the 11 US and Canadian markets tracked for this report.

All markets except Washington, one of the most mature markets in North America, saw double digit YoY growth in revenue and units sold. With dozens of markets in North America still to legalize cannabis, the sky's the limit for the vape market.

The following are trends from Q3 2021 we'll be tracking going forward:

- Sales of disposal vape devices increased in all US markets but Pennsylvania.
- Cartridge sales continued rapid growth north of the border, far and away the preferred vape product with Canadian consumers.
- 1 gram cartridge size marched forward in almost all markets as the preferred size of vape consumers.



For more of these insights on the vape market, top brands, and product trends in individual markets, download the Q3 North American Vape Report [here](#)



UNDERSTANDING YOUR ENVIRONMENT WHEN LAUNCHING A PRODUCT



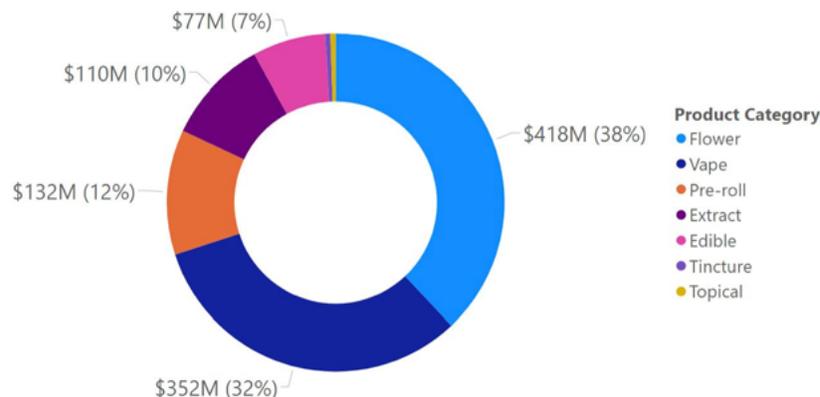
ARIZONA

| | |
|--|---------------|
| Population | 7.29 Million |
| GDP | \$370 Billion |
| Largest City | Phoenix |
| Average Temperature | 86.3 F |
| Total Addressable Cannabis Market | \$1.1 Billion |

THOUGHTS

Arizona is one of the more attractive cannabis markets to recently allow adult use sales. What’s even more attractive is how quickly their legislators were able to implement regulations allowing for sales to commence. In order to determine which product categories have the most upside, we looked at several variables, such as the ideal temperature the product requires, and New Frontier’s historical sales data. Based on this information we believe the most promising product category is vape pens. The vape pen product category currently represents 32% of the total addressable market generating \$352 million dollars. These margins, along with the fact that vape pens are optimal for warm environments like Arizona could mean that this product category may lead to fewer returns and higher customer satisfaction rates.

Addressable Arizona Cannabis Market by product sales from 2020



UNDERSTANDING YOUR ENVIRONMENT WHEN LAUNCHING A PRODUCT



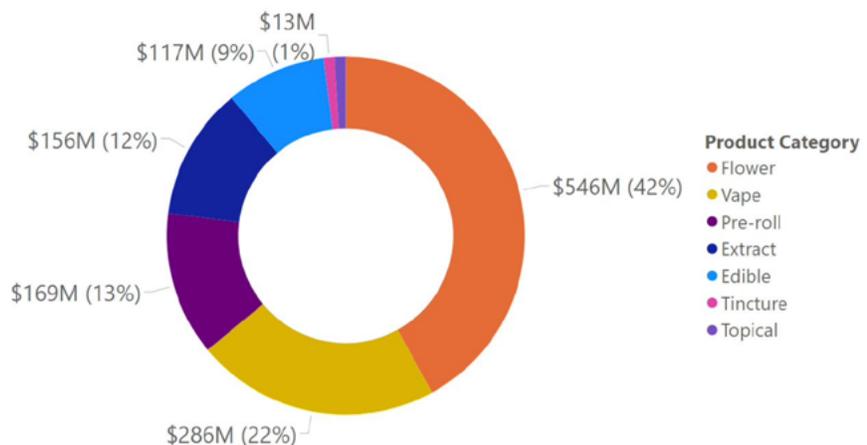
WASHINGTON

| | |
|--|---------------|
| Population | 7.615 Million |
| GDP | \$612 Billion |
| Largest City | Seattle |
| Average Temperature | 56.6 F |
| Total Addressable Cannabis Market | \$1.3 Billion |

THOUGHTS

When comparing Arizona to an established market such as Washington, we can start to see differences in consumer preference based on geographic location. Washington and Arizona have populations above 7 million people with each cannabis market generating more than a billion dollars in sales in 2020. From a product sale standpoint Washington and Arizona product category sales distribution is much different. For example, in Washington vape pen sales only account for ~20% of the total addressable. The largest product category is flower generating \$546 million dollars in 2020 alone. We speculate that the environment plays a major role in consumer purchasing. With the average temperature roughly 30 degrees lower in Washington than in Arizona, the chances the Vape pen doesn't function consistently increases.

Colder temperatures tend to drive humans indoors more, where consuming flower is more functional and ingrained as a habit. Regardless of the true reason behind the difference in product preference, it is important to consider multiple variables before bringing a new product or brand to market in the cannabis industry.



Addressable Washington Cannabis Market by product sales from 2020

Where Cannabis Grows, Confusion Abounds:

The Uncertain Legal Status of Delta-8 THC in Texas



Goal: Discuss the current legal status of Delta 8 THC in Texas and review the complicated history of its legal status and user experience.

On Monday, November 8th, the Texas hemp industry scored a significant victory after state District Judge Jan Soifer granted a request for a [temporary injunction](#) against Texas' ban on Delta-8, a request previously denied on October 25th. Delta-8 THC, also called Delta-8 tetrahydrocannabinol or Delta-8 THC, is [found naturally](#) in the Cannabis sativa plant and is viewed as a less potent alternative to Delta-9 THC. The injunction resulted from a suit filed by the cannabis company Hometown Hero, which argued that the Texas Department of State Health Services (DSHS) improperly revised its hemp policy to specifically prohibit products with more than trace amounts of THC isomers other than Delta-9, the most common psychoactive component of cannabis. Per the November 8th ruling, cannabis professionals are temporarily permitted to sell Delta-8 THC products in Texas, although it is highly likely that the state will appeal this decision. This ruling follows years of confusion

regarding the legality of Delta-8 products, as well as the safety of Delta-8 itself. The FDA has warned that some Delta-8 THC products could pose [health risks](#). The administration recently acknowledged adverse event reports in this past year involving 22 patients who reported side effects included vomiting, hallucinations, and other issues. The FDA also voiced concerns related to the [production process](#) of Delta-8, which can be [synthetically produced](#) by converting hemp-derived CBD and therefore may involve unsafe household chemicals depending on the manufacturer. Still, other [anecdotal reports](#) suggest a vastly different experience with Delta-8 products. The Texas plaintiffs and other consumers reportedly use Delta-8 products to treat anxiety, depression, insomnia, migraines, loss of appetite, chronic pain, and nausea. Access to these products, the signed November 8th ruling argues, ensures these individuals are not

Where Cannabis Grows, Confusion Abounds:

The Uncertain Legal Status of Delta-8 THC in Texas

forced to “seek other dangerous alternatives, like opioids or street drugs.”

The ambiguity around Delta-8’s safety and health effects extends to its legal status, which stubbornly rests in a gray area. Confusion among both consumers and producers began with the 2018 Federal Farm Bill, which removed hemp from the list of federally recognized controlled substances. Delta-8 is derived from hemp, which is [federally defined](#) as cannabis with 0.3% or less of Delta-9 THC in it, whereas marijuana is cannabis that contains more than 0.3%. Because Delta-8 is not addressed in this bill nor in the [2019 House Bill 1325](#), legalizing production and sale of hemp products in Texas, the legality of the product was assumed. Yet according to TX state health press officer Lara Anton, HB 1325 did not legalize Delta-8 because hemp is legally defined as, containing 0.3% or less Delta-9 THC - not Delta-8. “At the request of hemp growers who said there was confusion in the industry, DSHS posted the clarification statement at the top of the Consumable Hemp webpage last month,” said Anton. Expectedly, this spiked confusion and frustration among Hometown Hero staff and other cannabis industry professionals. “How do you, as a state, take 10,000 people and make them (eligible) felons overnight?” asks [Hometown Hero CEO, Lukas Gilkey](#). Although DSHS insists that THC - and

therefore Delta-8, as an isomer of THC - has been on Texas’ Schedule I Controlled Substances list since 1989, state troopers in TX have made [no arrests](#) concerning the sale or possession of Delta-8 products. As of now, the increasingly popular cannabis derivative can be sold legally in vape cartridges, tinctures, and candy at CBD stores across Texas. Yet industry professionals predict a long road ahead for sellers and consumers of Delta-8. More than likely, the ensuing battle will establish legal precedent that expands beyond state boundaries, prompting further research and discussion of the safety concerns, economic benefits, and health uses of Delta-8 and other isomers of THC.

Take-Aways:

- The recent November 8th ruling in Texas regarding Delta-8 THC grants temporary legal status to the isomer of THC, but industry professionals expect the state to appeal the decision.
- For now, cannabis professionals are free to sell products with Delta-8: an isomer of THC that exists in a legal gray area and has prompted safety concerns regarding its production and health benefits.
- Consumers, sellers, and producers have expressed frustration with unclear legal definitions of Delta-8 and other THC isomers, calling for increased legal clarity to ensure safe and reliable access to Delta-8 products.

SECTOR ANALYSIS*

| | INDICES | 3 MONTH | 6 MONTH |
|--|-------------------------------|---------|---------|
| | S&P 500 | 1.46% | 13.85% |
| | DOW JONES | 2.89% | 7.09% |
| | NASDAQ | 9.95% | 22.36% |
|  | GLOBAL CANNABIS INDEX | -15.49% | -20.79% |
| | AMERICAN CANNABIS STOCK INDEX | -12.47% | -31.33% |



“Between earnings season, legalization hopes, possible merger and acquisition activity heating up, and valuations reset, cannabis stocks could continue their ascent” - Todd Seymour³

*This text expresses the opinion solely of the writer. The thoughts expressed are independently formed and the writer is not compensated by any third party.

| | SECTOR | 3 MONTH | 6 MONTH |
|--|------------------------------|---------|---------|
| | HEALTHCARE | -12.96% | 2.21% |
| | TECHNOLOGY | 10.92% | 30.07% |
| | INDUSTRIALS | 6.19% | 10.65% |
| | FINANCIALS | 7.08% | 9.01% |
| | CONSUMER CYCLICAL | 16.68% | 23.09% |
| | CONSUMER NON-CYCLICAL | -0.92% | 0.74% |
| | BASIC MATERIALS | 1.8% | -2.62% |
| | ENERGY | 21.98% | 14.64% |
| | UTILITIES | -0.7% | 3.73% |
|  | ALTERNATIVE HARVEST ETF (MJ) | -10.55% | -27.75% |
| | MULTI-STATE OPERATORS (MSOS) | -9.05% | -24.67% |

*Information retrieved from NCV and E*trade.

DOMESTIC NEWS



South Carolina Republican reveals marijuana legalization bill she'll introduce in Congress

The 131-page States Reform Act – showcased during a Capitol Hill news conference – would remove marijuana from the list of federally controlled substances and allow state governments to continue leading the way on cannabis reform.



Connecticut set to launch recreational marijuana market before New York

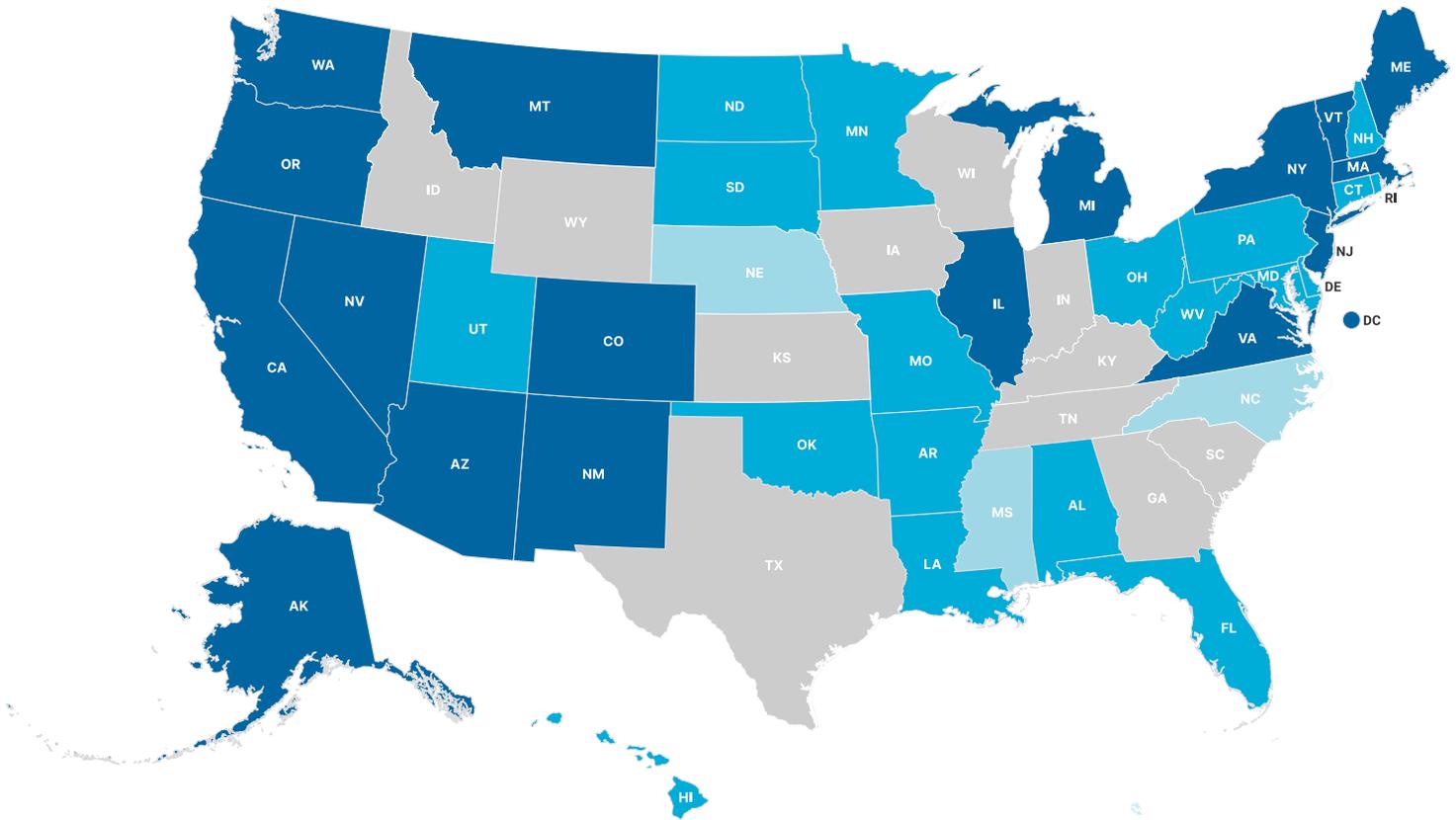
State regulators said recently they are aiming for a relatively full launch by year-end 2022, while New York's projected \$2 billion-plus market likely is slipping into the spring of 2023.



Push begins for marijuana legalization in Arkansas

Known as The Arkansas Recreational Marijuana Amendment of 2022, the measure would permit marijuana for recreational use and would not require users to register with the state or obtain a card to make purchases.

LEGALALITY OF CANNABIS IN THE UNITED STATES



Adult Use



Medical Only



Decriminalized

INTERNATIONAL REGULATIONS



Africa

“Canna-tourism is about attracting millennials and it can fit in very easily to our existing tourism offerings. I’m thinking adventure tourism mixed with chill; I’m thinking of international tourists imbibing rural culture in places like the Eastern Cape where cannabis is one part of the total South African experience...”



Colombia

Colombian President Iván Duque has high hopes for the medical marijuana industry in a country that has been waging a costly war against a different drug — cocaine — for decades.



Germany

Germany’s Next Coalition Nears Deal on Legalizing Cannabis. Public opinion in Germany has also shifted toward legalization. In a survey at the end of October by the German Hemp Association, 49% of respondents said they were in favor of legalizing cannabis, for example in specialty shops as in the U.S. and Canada, compared with 46% who were still opposed. That’s the first time since 2014 that more people were in favor in the annual poll.

BRAND SPOTLIGHT



PURE WISDOM FOODS

WHY WE LOVE THEM:

Communicating a unique selling point with consumers that stands out is a challenge. A portion of your messaging needs to be educational with a simple explanation of why yours is the best product. That's why we love Pure Wisdom's About Us page.



The pastel colors on the packaging work, nicely accentuating the important text and drawing your eye to the purpose of the product. The hospital cross also gives the feeling of a trusted icon to encourage comfort and association with the product new to the market in the industry.

“Maximum absorption of most CBD products is reached within the first 60–75 minutes and then quickly declines. Pure+Wisdom addresses this challenge by incorporating proprietary Extended-Release technology and micro-encapsulation to the CBD molecules (and to the CBG and CBN as well) in order to provide more extended and consistent absorption amounts for up to eight hours.”

Visit Pure Wisdom Foods at <https://purewisdomfoods.com/>

HOT IN THE NEWS

December 2021

TerrAscend Is Deepening Its Relationship with Leading Cannabis Brand Cookies

CURALEAF HOLDINGS, INC. Announces Distribution Agreement with **SOUTHERNGLAZER'S WINE & SPIRITS** for **CURALEAF Hemp and Select CBD**

Fyllo Raises \$40 M Series C to Scale SaaS Platform

More than two in three Americans (68%) support legalizing marijuana, maintaining the record-high level reached last year.

EXCLUSIVE JPMorgan to restrict trading of some U.S. cannabis stocks

CURALEAF Expands its Presence in Three Key Growth Markets with Acquisition of TRYKE Companies: Acquisition Adds Integrated Cultivation, Processing and Retail Assets in Arizona, Nevada and Utah

Arizona will issue 26 Adult-Use Marijuana Establishment licenses to applicants who qualify under the Social Equity Ownership Program. The state will be accepting applications from December 1, 2021 - December 14, 2021.



Fundraising and Cannabis Entrepreneurs

Regardless of the business you are starting, raising the funds you and your partners need to start and expand your business is always a challenge. Entrepreneurs in the cannabis space are no different. In fact, new cannabis businesses face additional obstacles in raising capital.

Plant touching businesses face 280E tax restrictions, banking obstacles, and regulatory barriers that can make raising capital more costly and complex. New entrepreneurs can find the world of fundraising daunting. Longtime successful legacy operators need to change their mindset and expand their skillset to compete in the new legal marketplace.

How do you set a valuation on a company that has no revenue? How much equity should you give to investors? Is a SAFE Note the right instrument for your SEED round? Do you need an investor deck and what should be in it?

Before investors will part with their cash to invest in a cannabis business, they are going to have tough questions. You need to understand the vocabulary and world of investors and venture capital if you are to open the doors to your new cannabis business and have enough runway to get to profitability or to raise another round.

Whether you are raising your seed round to open a dispensary in your local community or heading into your Series A for the seed to sale SAAS company you and your partners built from scratch on the weekends, knowing the ins and outs of fundraising is a must. Arcview and Oaksterdam University have teamed together to create an online collaborative experience to help guide you through the complexities of fundraising in the cannabis industry.

For more information check out [Raising Funds for Cannabis Businesses at Oaksterdam](#)

Celebrities Use Cannabis, Too:

The Benefits of Celebrity Endorsement in the Cannabis Industry Market



Goal: Analyze the influx of celebrity associations in the cannabis industry; consider why celebrities are entering the industry and the benefits of their presence.

As recreational cannabis becomes increasingly accepted among the general public, high-profile celebrities are choosing to invest their considerable wealth into the growing cannabis community. Snoop Dogg, Jay-Z, Seth Rogen, actor Jaleel White, and famed rocker Melissa Etheridge represent just a handful of famous names who have developed their own cannabis brands. The ability of famous names to normalize cannabis and establish trust with a newer, less experienced, and more diverse customer base is projected to strengthen and unify the cannabis industry in the next decade.

One of the first and most recognizable celebrity cannabis brands is [Tommy Chong's Cannabis](#), available in just about every state with legal weed. Chong's brand offers joints, vape pens, topicals, elixirs, and 10mg THC-infused breath strips in blueberry, chocolate mint and strawberry banana flavors. Taking

the lead from Chong, an influx of other celebrities have unveiled their own cannabis brands since the advent of COVID-19: in March 2021, actor Seth Rogen premiered Houseplant, offering three strains of strong, top-shelf flower named after weather phenomena: Diablo Wind, Pancake Ice, and Pink Moon. Last fall, Jay-Z introduced a luxury weed line of flower, pre-rolls and a 1.5 "OG Handroll" under the brand Monogram, with price points that [earn the title of luxury](#). For a less expensive and more controlled experience, cannabis beverage lines such as [Cann](#) have received more attention, with celebrity endorsements from Gwyneth Paltrow, Rebel Wilson, Ruby Rose, Darren Criss, Baron Davis, Tove Lo, Casey Neistat, and Bre-Z. [Justin Bieber](#) even announced his entry into the industry last month with a line of pre-rolled joints, branded "Peaches" after the song from

Celebrities Use Cannabis, Too:

The Benefits of Celebrity Endorsement in the Cannabis Industry Market

his most recent album.

The success of celebrity-endorsed marijuana brands depends largely on whether they feel “authentic and true to the celebrity,” says Verena von Pfetten, the co-founder of Gossamer, a cannabis publication that also makes its own CBD products. Von Pfetten maintains that the best celebrity cannabis brands “offer something beyond a name or endorsement, and are built and branded in a way that allows them to grow beyond the celebrity themselves.” Considering the saturation of famous names in the cannabis market, a sense of authenticity and novelty is markedly difficult to achieve for a new cannabis brand. Yet among celebrity-endorsed products that are successful, their ability to connect to long-time cannabis users and attract new customers is a key benefit of famous names in the cannabis industry.

Because cannabis is inherently political, Von Pfetten also acknowledges the need for celebrity-endorsed brands – as much as any other brand – to consider the role of equity, social justice, and space for women and people of color to access, produce, and sell cannabis. Rapper and fashion icon [Lil’ Kim](#) is among a growing number of entrepreneurs who are positively shifting the demographic of cannabis brand owners. Lil’ Kim’s brand Aphrodisiac, which will be released in 2022 in partnership with Superbad Inc., supports efforts to destigmatize cannabis and increase the

inclusivity of its community, while offering thoughtfully-designed products to her fanbase and consumers at large.

Some industry watchers warn that celebrity endorsement may reach a saturation point, at which it will be nearly impossible for consumers to decide which brand is best, better, or worst. Today, however, celebrity endorsement is vital to improving the economic health, inclusivity, and credibility of the industry. As celebrity endorsement grows, public acceptance is likely to follow as more consumers enjoy safe and high-quality experiences with cannabis products – whether they’re backed by the Biebs, Lil’ Kim, or your favorite Netflix actor.

Take-Aways:

- The rise in celebrity endorsements in the cannabis industry is projected to help normalize and de-stigmatize cannabis use, as well as increase the inclusivity and range of its community.
- Today’s celebrities have endorsed and crafted a variety of products, including THC-infused breath strips, cannabis beverages, and pre-rolled joints.
- Successful celebrity brands continue to enter today’s market, attracting their existing fanbase while appealing to new customers with innovative products and thoughtful aesthetics.

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