

Retailing & Merchandising

# Gobbling Up the Market: Consumers Increasingly Seek Ingestible Products

By **Joanne Cachapero** - September 5, 2019



Consumers have spoken, and they want to consume cannabis. In rapidly growing numbers, both connoisseurs and the curious prefer cannabinoid-infused treats, snacks, drinks, and tinctures to combustible, vapable, and topical products. The reasons are many: 50 percent of consumers cite convenience as their number-one reason for choosing ingestibles over other forms. Many say they like the discretion of an odorless product that doesn't look like cannabis, consistent dosing, and the whole-body relief they can't find with topicals. Some confess to enjoying the wide variety of flavors and forms ingestibles present.

In its 2018 report "[The Tasty Future of Cannabis Edibles](#)," market research firm [BDS Analytics](#) asserted, "Legal cannabis markets in the United States, and soon Canada, will be the incubators of this nascent subcategory. Edibles spending topped \$1 billion in 2017 and is forecast to grow to more than \$4.1 billion by 2022." In 2019, BDS revised the spend down to \$3.4 billion—still a respectable sum.

Much of the growth will come from Canada, according to Jordan Sinclair, vice president of communications and media at Canadian multinational [Canopy Growth Corporation](#). "In Canada, cannabis consumables are set to become federally legal in October," Sinclair said. "This will include categories such as edibles and beverages." Canopy, like most other manufacturers in the country, has developed a buffet of brands and forms just waiting to be put on the table.

Canadians may want to look to their south-of-the-border neighbors for clues about consumer preferences. In the U.S., flower remains king of the cannabis hill with \$768 million in 2019 sales through April, but edibles are mounting a *coup d'état*. Gummies, tinctures, and chocolate bars are leading the charge.

Gummies, which took over the category lead from chocolate in 2016, skyrocketed in popularity this year, with first-quarter sales expanding by 75 percent over 2018 levels. In polls, consumers have indicated they prefer gummies because they're portable, don't melt, and come in a wide variety of flavors. "During the first four months of 2019, seventeen of the top twenty ingestible products in California, Colorado, and Oregon were gummies," BDS revealed, adding in California alone more than forty-five brands offer the form. "By comparison, gummies' top competitors—products like mints, tinctures, and even broad categories like chocolate (including both bars and pieces) and beverages (from single-serve shots to powdered teas to soda)—didn't see half the sales of gummies." Nationwide, gummies represented 39 percent of edibles sales through April.

Beverages are coming on strong, though. "With the rise of the cannabis beverage market, options abound: cold bottles of kombucha, tea bags, packaged shots of coffee, water-soluble powdered mixes, etc.," BDS noted on its list of top ten predictions for 2019. The firm added non-alcoholic, infused beers and wines are just now beginning to show an impact on subcategory sales. "There are countless ways to consume cannabis, arguably none easier—or more sociable and intriguing—than simply sipping."

Through November 2018, beverages composed 5 percent of the annual U.S. edibles spend, with sales topping \$30 million in 2018. By 2022, BDS expects sales to increase more than tenfold, to \$374 million—or roughly 10 percent of the overall edibles market.

Cannabis increasingly is considered "just another ingredient" in health-conscious, plant-based diets and alternative wellness lifestyles, at least in states with broad medical and/or recreational legalization. Lifting prohibition in the U.S. would represent a sea change for the restaurant and bar industries. Observers are looking to [Lowell Café](#) to provide the proof in the infused pudding when it opens in West Hollywood, California, in September. According to developer Lowell Herb Company and its partners, the first-of-its-kind venue will feature a menu of plates and beverages. Smoking and vaping will be allowed on the premises, but the café will not serve alcoholic drinks.

What products look like they'll become leaders with national potential as new markets open? We've put together a collection of contenders, from current consumer favorites to innovative new items to watch.

### **Kaneh Company Chocolate Paleo Bites**

[Kenah Co.](#)'s menu of uncommon edibles grows all the time, but one product stands out: Paleo-friendly Chocolate Paleo Bites. The vegan, gluten-free, no-sugar-added, chocolate-nutty treats combine dates, cashews, almonds, cocoa powder, and other ingredients with clean

cannabis extract to produce a gourmet experience. Each 5.1oz package contains ten bites, each infused with 10mg THC. (CA)

