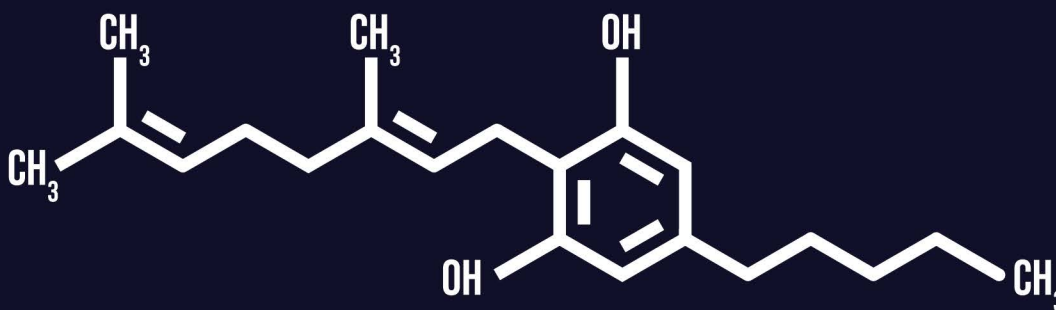


CANNABINOID SPOTLIGHT

CBG

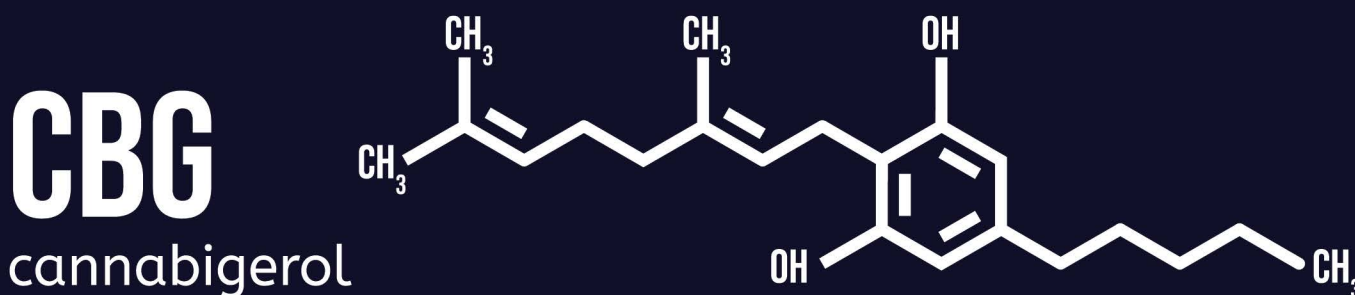


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An Introduction to CBG

What is CBG?

Another cannabinoid is beginning to catch on in the CBD industry: cannabigerol, or CBG. This minor cannabinoid is rare (hence “minor”), because it is a precursor to THC and CBD, so it is usually converted to one of those cannabinoids in the plant. In order to obtain CBG, the plant must be harvested and extracted earlier in the flowering process. Alternatively, plant geneticists have been experimenting on how to best increase CBG content through cross breeding.



Potential Benefits/Uses

While more research will need to be done to prove some of these theories, CBG may help with glaucoma, IBS, and cancer, and also appears to have antibacterial properties. Its antibacterial and anti-inflammatory properties mean it could be a beneficial ingredient in skincare products, especially with those that target acne.

CBG sounds very promising and is non-psychoactive, like CBD, but has not taken off in the same as CBD. This is probably because it is one of the most expensive cannabinoids to produce and extract. Unlike CBD, CBG requires more biomass per grams of isolate and different extraction equipment.

CBD Consumers Open to CBG

While CBG may be a buzzword in the industry, it has not caught on with consumers yet. In a survey of 5,000 US CBD consumers in Q1 2020, Brightfield Group found 11% had heard of CBG (compared to 79% that had heard of THC). However, of those that have heard of CBG, 81% said they would be likely or very likely to buy it, so they must have heard of this minor cannabinoid's potential benefits.

11%
of CBD consumers
are aware of CBG

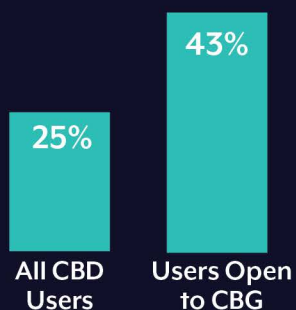
“Of those that have heard of CBG, 81% said they would be likely or very likely to buy it.”

These potential CBG consumers are more likely to have higher incomes and higher education levels than the average CBD consumer. This makes them a good target for CBG products, which are often more expensive than CBD products due to the rarity of this cannabinoid. Potential CBG consumers are also more likely to be cannabis consumers (84% vs. 62%), which could explain why they are more familiar with minor cannabinoids (they are 3-4x more likely to be familiar with other cannabinoids like CBC, CBN, THCa than CBD consumers). These consumers can be a strong entry point for CBG as they prefer flower, a lower cost method of selling CBG products.

Compared to all CBD consumers, those open to CBG are...

more likely to use CBD multiple times per day

% using CBD multiple times per day



2X as likely to have been using CBD for 5+ years

more likely to prefer full spectrum CBD

% who prefer full spectrum CBD



Cannabis Consumers Open to CBG

13%

of cannabis consumers
are aware of CBG

In the Q1 2020 survey of cannabis consumers, Brightfield Group found 13% were aware of CBG, so cannabis users are slightly more likely to know of CBG than CBD users. They also had a similar likelihood to buy probability (78%).

78% of cannabis
consumers who have
heard of CBG say they
are likely or very likely
to purchase it

Similar to the potential CBG consumers in the CBD user population, those that use cannabis are likely to have higher annual incomes than the average cannabis user, and they are also more likely to have college or graduate degrees. They are also more likely to be CBD users, which may explain why they are more familiar with other cannabinoids like CBT, CBN, and CBC compared to the average cannabis users.



Potential CBG consumers are much more likely to be medical cannabis users than the average cannabis users than the average cannabis population (66% vs. 48%); they may have learned about CBG when researching their medical condition.

% of cannabis consumers with medical cannabis card

All Users

25%

Users Open
to CBG

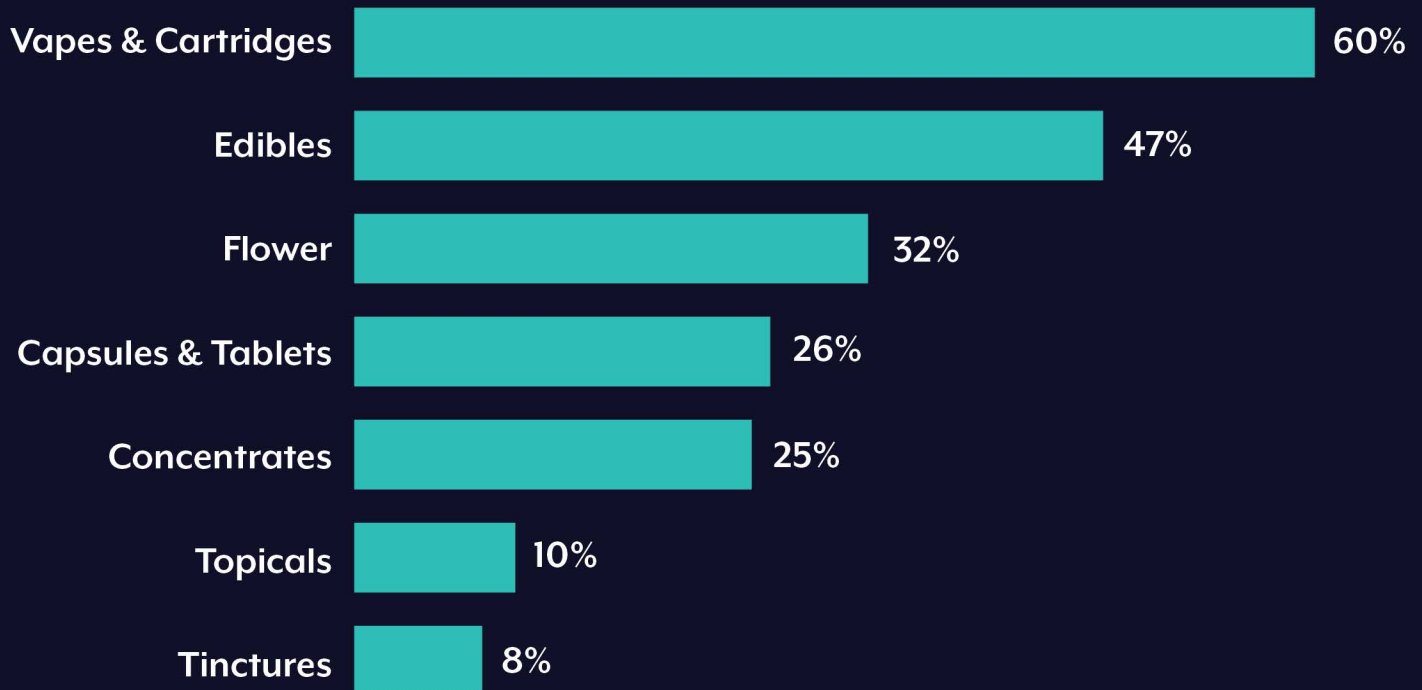
43%

The emergence of CBG provides an opportunity for CBD and THC brands to further differentiate their products and target consumers with medical conditions, as well as those that are early adopters.

CBG Share of Shelf

As consumers get more savvy and understand how they react to CBD/THC products, they're tinkering with how to best use cannabinoids to help with their specific conditions.

CBG Share of Distribution



According to our Innovation Insights portal, CBG has about 29% share of shelf of products with additional cannabinoids beyond THC and CBD. This places it third behind THCa and CBN. CBG has the most distribution share in vapes and cartridges. This is likely because it is easier to add back in cannabinoids and terpenes to vape concentrates than other product formats.



CBG Product Examples

CBG has not quite yet found its positioning in the market yet; CBN is positioned as helping with sleep issues and CBD is known for its anti-inflammatory and stress relief benefits. Due to the limited research, CBG's main appeal right now is its "newness". This hasn't stopped many CBD and cannabis brands from calling out the inclusion of CBG in their products.



MedTerra's new tincture line includes CBG+CBD formulas. It comes in a citrus flavor with 1,000 or 2,000mg, each half CBD and half CBG. MedTerra is touting the "power" of CBG as a cannabinoid for "wellness" but relying on the consumer to understand what that means.

Plant People's Drops+ Relief tinctures also contain CBD and CBG. This product is specifically positioned as helping with inflammation; it also contains turmeric which is a known anti-inflammatory.



Another positioning used for CBG is "uplifting". Kush Queen's RX Bliss CBG+CBD gummies claim to "increase dopamine production in the brain". Each gummy has 15mg each of CBD and CBG.



LucidMood has a formulation of their cannabis vape line including THC, CBD, and CBG in one disposable vape. Their "Loving" variety is positioned as being good for connection with others; this product also touts the uplifting effects of CBG, especially in conjunction with other cannabinoids.



So far, there aren't many products emphasizing the potential antibacterial and antifungal properties of CBG. Flowerchild's CBG salve is a topical that claims CBG is good for use as an antifungal and antibacterial agent on cuts, scrapes, and blisters. Besides CBG it contains additional herbs like echinacea and calendula that are good for injuries.



Farmers are beginning to experiment with planting high CBG cannabis and hemp while extractors are improving and refining their processes; overtime, CBG will become less expensive to produce. **Expect more brands to start including CBG in their products, especially if additional research on the benefits of CBG is done.**

We're Brightfield Group, and we provide consumer insights and market intelligence for the CBD and Cannabis industries.

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