



## Cannabis, CBD, and Hemp: Pet Market Opportunities

The CBD supplements market is fueled by both enthusiasm for natural supplements generally and the current spotlight on the medical and therapeutic benefits of cannabis. CBD (cannabidiol) is one of the primary chemical compounds known as cannabinoids found in the cannabis plant, *Cannabis sativa L.* THC (tetrahydrocannabinol), the psychoactive agent in marijuana, is the other marquis cannabinoid.

Marijuana is cannabis that has been bred (especially in recent decades) to maximize THC content. Hemp is cannabis that retains CBD but has the THC bred out of it. Hemp has been used in the U.S. since colonial times for mainstream commercial and industrial purposes such as textiles, rope, and seed oil.

As more and more states loosen the regulations on the possession and use of recreational marijuana, and as federal regulatory enforcement remains uncertain, pharmaceutical and supplement community interest in CBD has taken off, spurred by consumer receptiveness to cannabis for treatment of a host of health issues.

Studies with rats have shown that cannabinoids can help prevent cancer, decrease inflammation, relieve anxiety, control nausea, stimulate appetite, and reduce pain. Studies with humans have yielded similar findings, and cannabinoids have been credited with aiding in treating depression, asthma, glaucoma, and epilepsy.

CBD is found in full-spectrum hemp plant oil—but not in hempseed oil, though the latter has its own nutritional merits. CBD can also, though more controversially, come in concentrates, isolates, and synthetic forms. When these other forms are sourced from China, they will raise a red flag in the pet products marketplace: “Made in U.S.A.” is the single most important product claim in pet foods and treats, in the wake of the 2007 pet food

recalls and pet deaths attributed to melamine-contaminated vegetable proteins imported from China.

As is commonplace for human trends related to food, nutrition, and health, the use of CBD has crossed over into the pet market, particularly in the form of supplements or functional treats. Although dozens of competitors have introduced a CBD supplement or treat for pets, these marketers typically do not have a large presence elsewhere in the supplements market, being instead specialists in CBD. (NaturVet, a leading pet supplements marketer, is a partial exception in offering hemp-based supplements that don't contain CBD, being formulated with hemp seed and ingredients such as chamomile, ginger, and melatonin.) This niche status reflects the reality that the governmental and trade regulatory environments related to cannabis, CBD, and hemp are thickets only beginning to be cleared for human or pet pharmaceuticals, supplements, and food products.

Nonetheless, the most recent Farm Bill (the Agricultural Improvement Act of 2018, passed in December 2018) took a significant step forward by separating hemp and hemp-derived CBD from marijuana-based products, thereby placing hemp-derived products under the control of the Department of Agriculture as a crop, rather than under the Justice Department as a controlled substance. The Farm Bill defines marijuana as cannabis with THC of .3% or greater (under the DEA), and hemp as cannabis with THC of less than .3%.

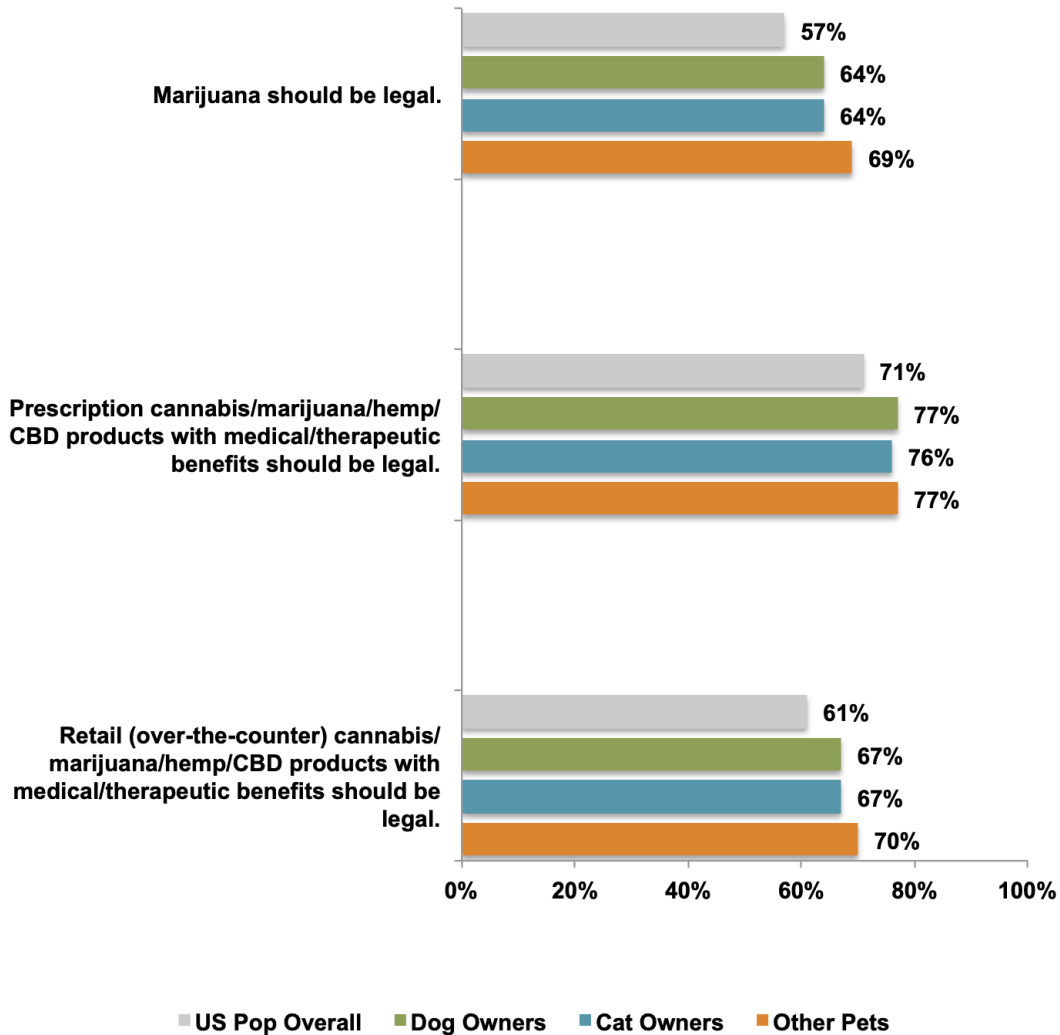
To date, pet owner interest in CBD centers on relieving anxiety and stress issues in pets—a rising concern especially among urban pet owners whose dogs share their indoors, space-restricted lifestyle. Among recent pet market trends, anxiety products have distinctively and successfully fanned out across food, medication, and non-food product segments. In addition, pet owners are also looking to CBD as an alternative treatment for everything from pain relief to allergies.

Packaged Facts surveys from February through April 2019 show that pet owners are more likely than the population overall to support the legalization of marijuana, and to agree that both prescription and over-the-counter cannabis products with medical/therapeutic benefits should be legal. Among other of our findings, 39% of dog owners and 34% of cat owners agree that they like the idea of CBD supplements for their pets, 29% of both dog and cat owners agree that they would be interested in purchasing CBD supplements for their pets if legal, and 11% of dog owners and 8% of cat owners have used cannabis supplements or treats for their pets.

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**Cannabis/Marijuana/Hemp Legalization Attitudes, 2019**  
(percent of pet owners by type of pet owned)

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Source: Packaged Facts February/March 2019 Survey of Pet Owners

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The evident potential in the pet marketplace and extensive trade efforts to secure regulatory guidelines and clarity mean that CBD products will not long remain niche. CBD products were highly visible at the Global Pet Expo in Orlando (March 2019), the signature trade show of the American Pet Products Association (APPA) and the Pet Industry Distributors Association (PIDA). Although distribution of CBD pet supplements and treats has been primarily through the Internet (including Amazon), *Pet Business* identifies CBD products as one of the 2019 growth areas most anticipated by brick-and-mortar retailers. Pet Releaf, a leading CBD pet product specialist, is now only one degree of separation from the

mainstream, having been taken under the wing of Leap Venture Studio, a pet market incubator funded in part by Mars Petcare. Also crossing boundaries is Martha Stewart, who is collaborating with Canada-based Canopy Growth Corporation on a line of CBD products for humans and pets. While Packaged Facts speculated as far back as 2003 that Martha Stewart would enter the pet products market, we never saw it coming that cannabis would be a vehicle.

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For more information on Packaged Facts' upcoming report *Pet Supplements in the U.S., 7<sup>th</sup> Edition*, see <http://www.marketresearch.com/product/display.asp?productid=12373987>.

