



Is There Any Limit to How Big This Rapidly Expanding CBD Company Can Get?

Description

Shares in the world's leading cannabidiol (CBD) brand **Charlotte's Web Holdings** ([TSX:CWEB](#)) have gained more than 19% in fewer than the past two weeks of trading. Yet the company's market capitalization, valued at under \$800 million, suggests it's still only a small-time player within the rapidly growing market for cannabis and cannabis-related products.

How big could this company get?

A \$20 billion opportunity

In its most recent investor presentation, Canadian-licensed cannabis producer **Aurora Cannabis** suggested it thinks the potential size of the market for hemp and CBD products could reach as much as US\$22 billion by the year 2022.

Meanwhile, Canada's largest licensed cannabis producer **Canopy Growth** recently announced its own plans to invest anywhere between \$100 to \$150 million in New York state towards an investment in CBD extraction and product manufacturing.

Charlotte's Web finds itself [ahead of the game](#) when it comes to dealing with those two very formidable competitors.

CWEB not only can lay claim to owning the number one hemp and CBD wellness brand globally right now, but it also controls over 6,000 retail operations and produced more than 675,000 lbs of hemp last year with another 700 acres planned for planting this year.

As I've [written about previously](#), I happen to be of the belief that once the current "wave of euphoria" associated with the legalization of recreational cannabis has finally passed, the real difference maker for the cannabis industry will be a more permanent, widespread acceptance of CBD because of the variety of improvements it's purported to offer to users' health.

Not only does there continue to be scientific research emerging in support of the health properties

found in CBD, but one of the key advantages with CBD — particularly concerning it as a viable substitute for “traditional” marijuana products — is that its users are able to consume the CBD products without incurring any of the side effects of becoming “high” from the THC component.

It’s certainly easy to imagine how a senior might seek relief from the pain associated with their arthritis condition or cancer treatment but not want to deal with any potentially uncomfortable psychoactive side effects.

Through CWEB’s product line, which includes liquid concentrates, gel capsules, topical creams, and even products for canines, CWEB is hoping to serve the vast market of sufferers from common ailments such as insomnia, workout-related muscle pains, and aches and even stress and auto-immune related disorders.

And so far at least, the plan seems to be working.

In 2018, CWEB grew its revenues by 74% year over year, outpacing its peers, even as the forecasts for CBD demand continue to rise.

Within the crowded space for cannabis stocks these days, Charlotte’s Web’s pursuit of the massive and rapidly growing CBD market certainly feels as though it’s the type of opportunity that’s deserving of a closer look.

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