



Could This Be the Next Big Trend in the Cannabis Industry?

Description

The edibles market is just months away from going live in Canada. However, if it's anything like last year's marijuana launch, consumers and investors alike could be disappointed.

Supply is still an issue and the retail market is still not operating anywhere near where it could be. That's why it may come as no surprise that many consumers are still purchasing pot from the black market — and why that's not likely to stop anytime soon.

However, purchasing from the underground exposes consumers to risks, and one alternative is to make cannabis products at home. With prices for pot being expensive in retail pot shops and consumers having to pay taxes on it, there's definitely an incentive for consumers to find alternatives.

While those options are normally often limited to growing flower, there are even ways consumers can make edibles and their own cannabis-infused gummies.

Company gets around cannabis restrictions with kit that requires key ingredient

B.C.-based Paracanna sells consumers a kit where they can simply add cannabis to produce a variety of infused gummy candies. While perhaps not offering as many flavours as what consumers could get in the [retail market](#), the company still gives users many options.

The market for this type of product is sure to soar with the launch of edibles, especially if consumers get turned off at the high price points. There are many kits online when it comes to growing and making cannabis.

In addition, there are hundreds of cannabis cookbooks on **Amazon** that can help consumers make their own infused products. Whether it's growing the flower itself or making edibles, there could be lots of demand from consumers seeking cheaper options for making cannabis products.

Why finding a niche is important for cannabis companies

The number of cannabis companies popping up in the industry is going to mean that trying to get market share is will prove challenging. That's where finding a more specialized area to focus on could be advantageous.

OrganiGram Holdings Inc ([TSX:OGI](#))([NASDAQ:OGI](#)) is a great example of a company that has looked to a specific segment where it can dominate with fewer competitors than in a more generic space.

The company invested in a product line earlier this year that will help OrganiGram produce quality [chocolate cannabis products](#). By tapping into the popularity of chocolate, OrganiGram could end up producing products that can appeal to both cannabis and chocolate lovers.

For the company, it's a clever way to tap into what could be a very profitable segment of the market while not having to worry about competing head-on with a growing number of competitors.

It wouldn't be surprising to witness other companies follow in the footsteps of Organigram, especially if they get squeezed out of larger segments and struggle financially.

With minimal barriers to entry in this industry, finding a way for a company to differentiate itself from its peers is going to be paramount in being able to not only grabbing market share, but also being able to post a profit as well.

OrganiGram's venture into chocolate could prove to be a big winner, and focusing on do-it-yourself cannabis kits could be another area for companies to set their sights on.

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