



Canopy Growth (TSX:WEED) Addressed a Key Concern for Cannabis Investors

Description

Canadian marijuana firm **Canopy Growth's** ([TSX:WEED](#))(NYSE:CGC) latest research report on a key cannabis extract could significantly support industry stocks going forward.

In a news release on Monday, Canopy Growth reported that cannabidiol (CBD) can increase activity and lifespan in consumers. CBD is a major marijuana extract that was recently federally legalized in the United States. The latest research results may provide a new way for firms to market CBD products in the U.S.

The FDA's tough stance and concerns over CBD

Marijuana stock investors may recall that the U.S. Food and Drug Administration (FDA) has been all out against CBD firms since 2019. [Several CBD companies received stern warnings](#) from the FDA last year for violating some guidelines, including marketing cannabidiol as a food supplement.

Actually, regulatory concerns make it an uphill task for cannabis firms to actively the CBD market in the United States. The FDA's warns of potential liver damage and male infertility, among other concerns for cannabidiol users. The marijuana extract can't be marketed as a food supplement, neither can it be sold as a drug.

On November 25, 2019, the agency stated that "many unanswered questions and data gaps about CBD toxicity exist, and some of the available data raise serious concerns about potential harm from CBD." Another question was, "what happens if you take CBD daily for sustained periods of time?"

Canopy Growth's study could answer key regulatory questions

In Canopy Growth research published in the *Cannabis and Cannabinoid Research* journal and [available online](#), scientists discovered that CBD exposure could extend lifespan by 18% and increase late-stage life activity by 206%. Researchers concluded that the “model indicates a lack of long-term toxicity at physiologically relevant concentrations” of cannabidiol.

Researchers carried out the study on worms called *C. elegans*, which share 60-80% of their DNA with humans. Results should help answer the FDA’s questions of CBD toxicity.

In a [November 2019 article](#), I was concerned that “mass marketing of the product could face legal challenges and the rate of market growth in America could be slowed down by regulation.” The FDA had come guns blazing after a nascent cannabis industry that was trying to create a market.

Most noteworthy, the regulator could soften its stance on the youthful industry as positive scientific research results trickle in. Canopy Growth has made a significant contribution to marijuana science. Perhaps, in the future, American cannabis firms will be allowed to claim that CBD is non-toxic. Even more interesting, the nascent industry could use the research data to market CBD as an activity enhancer during old age.

Investor takeaway

The North American cannabis industry is still in its formative stages. More scientific research dollars are still required to ease regulatory concerns. More knowledge could improve market acceptance of cannabidiol. Studies could reveal new use-cases for cannabis, too. More importantly, we could see more regulatory approvals for cannabis products in the U.S. market. Research progress could support the emergence of the world’s largest medical cannabis market there. All that’s needed is compelling scientific data and some positive politics.

Investors in marijuana stocks will love it when pot firms sell CBD without the FDA throwing spanners in their works. Many thanks to Canopy Growth for contributing new scientific data to the body of knowledge on marijuana extracts and their efficacy. The study helps address some regulatory concerns.

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