



## The other green market - cannabis labels

Legal marijuana sales are expected to [hit \\$6.7 billion in 2016](#), with the market expected to climb to \$21.8 billion in sales by 2020. As legal cannabis sales rise, cannabis labels are quickly becoming one of the fastest growing markets for label manufacturers.

### An industry gaining legitimacy

Since California first legalized medical marijuana in 1996, the cannabis industry has made major strides. Medical marijuana is [already legal in 25 states](#) and counting, with recreational marijuana legal in Alaska, Colorado, Washington D.C., Oregon and Washington state. Votes on marijuana legalization could take place in [more than 20 states this year](#), and full legalization is expected to pass in California, the sixth largest economy in the world ahead of France, India and Brazil.

The market is moving ahead and won't be limited to small businesses and dispensaries either. Already, more than 50 [publicly traded companies have blitzed the market](#), including pharmaceuticals, medical growers and even [major tech companies](#).

What's more, public support for full marijuana legalization is at an all-time high 61 percent, according to a recent survey from the [AP-NORC Center for Public Affairs Research](#). Whatever your sentiments on marijuana, the market is growing and here to stay.

### Cannabis flower labels

Legal cannabis has primarily consisted of dispensaries selling cannabis flower or leaves (ready-to-smoke marijuana) in pouches. Regulations have essentially [required two cannabis labels](#) for these pouches: a branded label on the front and a regulatory label on the back. Many dispensaries also use pre-printed pouches.

Similar to the way alcohol labels must contain information for alcohol content, the informational labels that sit on the backs of pouches are legally required to provide certain accurate information, including:

- THC %

- CBD %
- Net weight in grams
- Lab name and test # confirmation
- Date tested
- Strain name

And cannabis flower labels are just the beginning. Many [smoke-free product categories are emerging](#) with similar labeling requirements. These often allow for increased branding opportunities that will afford better profit margins for label suppliers. Some of the many products in this young category include:

- Edibles — such as dark chocolates, baked goods, snack crackers and teas infused with cannabis
- Topicals — such as pain-relieving lotions
- Tinctures — cannabis-infused liquids that are applied in drops to the tongue

Bottom line, for label and packaging suppliers, cannabis represents one of the fastest growing market opportunities today, and the opportunities extend way past labeling for the flower itself.

## Managing compliance

As more and more states move toward legalization, the market is becoming increasingly governed by uneven laws in different states. Market players are responding to ever-changing requirements, including labeling standards. While many dispensaries have gotten away with minimalist labels, states are increasingly demanding dispensaries meet more stringent legal standards. For example, Oregon passed new labeling requirements this year, and products that fail to meet them by October 1, 2016 will not be allowed on store shelves.

Label suppliers entering the market must keep abreast of the changing regulations and be able to help brands navigate them. They need to work to understand the intricacies of this new market, rather than simply looking to redirect the capabilities they already possess.

## More about the author

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