Investor Strategy and Methodology: How do I invest in the hemp CBD market?

How to cash in on the Wisconsin and Midwest Hemp CBD Oil Market

Investors

The problem with the hemp market is lack of extraction of full spectrum hemp CBD oil from the hemp flower. There are lots of growers, but few extractors. Even fewer CO2 extractors, which brings a much higher oil price, since CO2 retains valuable flavor and medicinal rich terpenes compared to other methods. Most processors don’t have qualified legal oil extract.

The best strategy to start is to buy a CO2 extraction system, number up, then ultimately move up to the large industrial processor using continuous feed water extraction. This provides a clear path to profit and solidifies a vertical system from hemp flower extraction to sales.

Full spectrum oil is extracted using CO2 or water methods, which preserve the qualities of the oil for the most benefits.

Profits are made by branding your product, which may include supplements, infusions, lotion, and oil concentrates.

Post Processing

The hemp industry is in somewhat of a boom right now. The hemp flower is a good source of CBDs (cannabinoids) which have been found to reduce inflammation.

The revenue stream is profitable in the processing and retail end, which emphasis on eco-friendly extraction of the oil using CO2, ethanol, and water extraction.

If you can vertically integrate your hemp acquisition, extraction, and product branding under one roof, you will be rewarded with the best profit margin. Profit methodology is dynamic, and should always be reviewed and improved upon, to hone in on margins.

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HEMP CBD OIL SOLUTION

America is plagued with poor diets, inflammation of the body from poor environmental surroundings, and those addicted to oxy and opioids.

The product needs to be pesticide free and under the .3% THC limit. Oddly enough, most extractors fail these basic guidelines because they don’t test their hemp flower prior to extraction.

How TO START

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Full Spectrum Oil

Hemp Gold Rush

1/29/2019
Reinventing Botanical Extraction

With the incessant demand for consumer grade hemp CBD rich products, along with CBD isolate for product infusion, there is a bottleneck between harvest and concentrate extraction. This is because most farmers don’t have funding or capabilities to perform extraction. Third party extractors, termed “toll” processors often demand a 50 percent toll for their services. Unfortunately, there aren’t many processors available and many are unreliable.

Of the extraction systems available on the market, they are high-priced, legacy-based systems that perform inefficiently, and effectively cause a bottleneck in processing.

Infinity Supercritical recognized these inherency's in 2015, and established a line of technologically advanced extraction systems.

Problem

Hemp Extraction: Large quantities of hemp need to be extracted at harvest time to preserve the unique medicinal qualities of the plant oil.

Batch Processing: The industry currently has large batch processing systems, which limit capability.

Solvents: Most processing is focussed on using solvents like butane (explosive and leaves a residue), ethanol (poor terpene retention), and CO2 (best option).

Response Time: Extraction times are usually slow, and don’t match market demand.

Old Technology: Current extraction systems are based on 60 year old technology.

Solution

Infinity Supercritical offers a full spectrum line of technologically advanced equipment.

High Value Hemp Extraction: High quality oil extraction Supercritical CO2 system.

Large Volume: Continuous feed, push-button extraction using water. Spinning Disc Reactor (SDR) system.

Eco Extraction: SDR uses water, and the only technology in the industry to introduce eco-extraction as a green branding process.

Why Now ?

Timing: The market has a high demand for CBD rich hemp products.

Opportunity for this market exists as processors scramble to meet demand, with legacy extraction systems. Unfortunately, ethanol extraction falls short with a inferior product that doesn’t have good terpene retention. That leaves CO2 and water extraction.

The other problem is that most extractors don’t have proper COA (Certificate of Analysis) for pesticide free input hemp flower, nor post extraction COA for oil that is at or below the .3% THC legal limit.

How To Build A Vertically Integrated Hemp CBD Oil Business:

1. Establish good rapport with farmers and hemp flower suppliers: Growing a pesticide free and legal hemp (lower than .3% THC content) supply is critical to a solid supply. Offer to pre-buy some of their product at a set price. Buy up certified and analyzed product from last years harvest (at a discount).
2. Buy your own hemp flower and oil analyzing machine: Don’t trust what others tell you, analyze the product yourself, and re-verify quality. Have a third party also analyze so you can compare and verify. Analyze your competition and see if they’re actually selling what they claim (the results may surprise you). Post all results on your web page blog. Transparency is critical to establishing a good reputation. Trust and verify.

3. Buy 1-10 of our 10L CO2 extractors: Each machine can extract $5,000-$10,000 per day (amounts vary according to hemp flower buy price, extract sell price, etc.). Number up machines as capacity increases until you reach 10 machines, then buy a larger SDR1200 which can process up to 2,400 pounds of hemp flower per day. The CO2 extracts can be build immediately (1-2 weeks) which allows you to get started now.

4. Buy a SDR1200: As your profits grow, and processing capacity increases, buy a larger continuous feed hemp flower oil extractor. These larger machines take 6-12 months to build and test, so plan ahead. If you start with the CO2 extractors, those can be build on-demand and get you processing right away.

5. Dedicated Sales Person: Have at least one person dedicated to selling crude oil, bottled full spectrum hemp oil online, bottled full spectrum hemp oil to local retailers (and nationwide). Also have them determine CBD isolate (crystal) sales, to analyze whether or not a post processing system will be needed at a future date.

6. Start with Full Spectrum Hemp CBD Oil Extraction: The highest buy prices is now with full spectrum hemp CBD oil. It is the fastest and easiest to produce (it’s the crude oil extract right out of the machine). To bottle it, mix with a carrier oil such as coconut oil. One bottle of about 30 ml of coconut oil will have 500 mg, 1,000 mg (1 gram), or 2,000 mg (2 gram) of hemp cbd oil in it. CO2 oil extract is commanding a price up to twice that of ethanol extraction, since it’s a better quality extraction.

7. Start with Extraction, Not Growing: The most profit in the hemp market is extracting and selling the oil. There are thousands of pounds of hemp flowers in warehouses in Oregon, Colorado, Wisconsin, and other states.

8. Do not Start with CBD Isolate (Crystal): The most profit in the hemp market is extracting and selling the hemp full spectrum CBD oil. The crystal has a solid buying market, but at only $6.50 a gram versus $10-40 a gram for the oil (wholesale) and $90-140 a gram (retail). Start with the biggest profit ratio, and then use the profits to purchase post-processing equipment to make CBD isolate (crystal).

9. Coordinate Farmers: Coordinate strategies with farmers, so that they know they have a hemp flower buyer at harvest time. Also educate them on how to properly dry hemp flower, and package properly with commercial vacuum bag storage (similar to hops drying, storage, and processing).

10. Time is of the Essence: If you don’t do something prior to June 2019, then just sit back and watch others ride the boom. Like we saw in Denver during the initial cannabis boom, the reaction time needs to be realized quickly. If you can’t move to extract profits quickly, then the best idea is to just stay out of the opportunity.

The above is a good strategy to start. While your opportunity may be different, that will give you a good roadmap on beginning the conversation. Please feel free to call Infinity Supercritical and discuss your options and potential extraction facility.