

1933 Industries Inc

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1933 Industries sets sights on cannabidiol market after Trump signs US farm bill

The management of 1933 Industries Inc (CSE:TGIF) (OTCMKTS:TGIFF) is bullish about the passage of the 2018 farm bill, which legalizes hemp in the US, as the new law is set to boost the cannabis company's plans to produce CBD extracts and will open new markets across the US.

In a victory for cannabis companies, President Donald Trump signed the farm bill earlier this month, which sanctions the production of hemp - a type of cannabis that doesn't produce the psychoactive effects of marijuana. The move allows for the acceptance of industrial hemp as well as cannabidiol or CBD, a non-psychoactive compound that is making its way into drinks and foods.

The rise of hemp is a coup for cannabis companies as the domestic hemp market is set to grow to US\$22 billion by 2020, according to statistics from the Brightfield Group.

READ: 1933 Industries stokes Las Vegas capacity expansion in anticipation of medical and recreational cannabis product demand

In response to the passage of the farm bill, Infused MFG, 1933's manufacturer of hemp-based and CBD-infused products, has announced plans to begin processing hemp into CBD extracts for the production of an array of oils and other products. CBD production by Infused is now set to jump to 2,000 kgs per month, up from 200 kgs.

In a statement, Chris Rebentisch, Infused's chief operations officer and founder, argued that producing isolated cannabidiol extract would produce the greatest return on investment over the next five years thanks to the new US law.

"The impact of the Farm Bill is significant to our business," said Rebentisch.

"Overall, we expect the CBD industry to break market expectations, become commoditized and follow strict regulations."

READ: 1933 Industries sees fiscal 1Q revenue pop thanks to cannabis demand in Western US

1933's management team also expects that the legalization of hemp in the US will entice more financial institutions and investors to back its business. It throws up the chance as well for 1933's suite of branded hemp-derived products to be carried by big US retailers.

"The untapped versatility of CBD will become sought-after, as regular products begin to be infused with CBD and national retailers enter this sector," concluded Brayden Sutton, 1933's CEO in a statement.

1933 Industries Inc. is a cannabis company based in Chilliwack, Canada with operations in the US. Operating through three subsidiary companies, 1933 Industries owns licensed medical and recreational cannabis cultivation and production assets as well as CBD extraction services and a specialized cannabis advisory firm.

Price: 0.205

Market Cap: \$57.71 m

1 Year Share Price Graph



Share Information

Code: TGIF

Listing: CSE

52 week High Low
0.62 0.205

Sector: Cannabis

Website: 1933industries.com

Company Synopsis:

1933 Industries Inc. is a vertically integrated, brand-focused cannabis company with operations in the United States and Canada. Operating through two subsidiary companies, 1933 Industries owns leading cannabis brands as well as licensed cannabis cultivation, extraction, processing and manufacturing assets.

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The company owns 91% of both Alternative Medicine Association and Infused MFG. and 100% of Spire Global Strategy.

1933 shares closed up 2.8% to hit C\$0.37 on Thursday.

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