



Photos: Pahl's Market &amp; Garden Center.

## GARDEN CENTERS EXPAND TO CBD

While not free of challenges, CBD-related products can be a strong revenue stream for independent garden centers.

By Ana Olvera

The federal legalization of industrial hemp by the 2018 Farm Bill opened opportunities for more than just farmers. Hemp production and the sale of its byproducts, like cannabidiol (CBD) extracted from hemp flower, has shown to be an added avenue for garden center revenue.

Lawn & Garden Retailer recently spoke with Pahl's Market & Garden Center and Arbuckle Outdoors, two independent garden centers that began retailing CBD products after each owner had their own positive experience with CBD.

### Pahl's Market & Garden Center

*Apple Valley, Minnesota*

For Jack Pahl, a sixth-generation farmer, offering CBD products seemed like a win-win situation — adding another income source while providing customers with products that could boost their quality of life. The operation features a farm, market, garden center and landscape department.

"We've always wanted to make an impact on what people consume," Pahl says. "We always try to have the highest-quality products. It's important to provide for people and we thought hemp was another way to do it as well."

At Pahl's Market & Garden Center, customers can find products from Minneapolis-based BLNCD — tinctures, oils, salves and essential oil roll-ons — as well as products from the garden center's own label, Northern Naturals, created in 2019. The products are displayed in a 10-by-10-foot area called the CBD Corner, a display area nestled under a pergola with brochures and a video detailing the process from growing to extracting to bottling. The CBD products are kept in a locked case, requiring customers to go to the service desk and ask an associate for assistance. Pahl says this required interaction with staff allows for education opportunities.

"A lot of people are skeptical of this product — some think it's snake oil, some people think it's weed," he says. "The biggest challenge is just educating the consumer and knowing what this product can do for them."

Despite the learning curve for customers, Pahl says the store found

enough success in carrying CBD products that he decided to grow hemp himself.

“Early on throughout the first year of carrying their product probably saw in the first couple of months a pretty good sales increase and demand for the product,” Pahl says. “It’s good to know before you have your own product. You have a bit of a test to know that it does sell and it sells year-round.”

Pahl currently grows hemp in two hoop houses, totaling about 2,000 square feet, and outdoors on 50 acres. Initially the plan was to wholesale the biomass to companies that would extract and process CBD into their own label.

“It didn’t turn out that way; the market kind of got flooded over the last year or so,” he says. “Everyone kind of joined in on the ‘green rush’ as they call it.”

Faced with a limited market to sell to, Pahl took it upon himself to develop the company’s own brand.

“We know exactly where it’s [the hemp] coming from and the local craze is still in effect. I figured I could find a niche market and I have a storefront already — it was a perfect fit,” he says.

### Arbuckle Outdoors

*Davis, Oklahoma*

For health and fitness enthusiast Wendy Thompson, it was a natural progression to carry CBD products in the family-owned and operated garden center after having a positive experience with it while trying to heal from a stress fracture.

“Our garden center was always half a garden center and half something to do with fitness, health and nutrition,” says Thompson, owner and marketing manager at Arbuckle Outdoors in Davis, Oklahoma. “It was just an inevitable step to carry the product that worked so well for me.”

Thompson started buying CBD-related products wholesale and selling them at Arbuckle Outdoors in 2017. The garden center carries products that allow consumers to use CBD in various ways, such as externally — with lotions, salves, balms and serums — and through consumable products — like tinctures, oral sprays, capsules and gummies.

In 2019, Thompson participated in Oklahoma’s hemp pilot program to begin growing hemp and sell hemp flower for processing or as smokable pre-rolls under Arbuckle’s own label, Arbuckle Organics.

Educating consumers on CBD can be a challenge, but it can also help build trust with customers and be used as a sales tool, Thompson says. Her focus is explaining that hemp and cannabis come from the same plant, “it’s simply the matter of how high or low the THC is.” Less than a year after Arbuckle Outdoors began carrying CBD products, medical marijuana was legalized in Oklahoma and now three dispensaries are located within two miles of the garden center.

“Now you have a lot of people who think marijuana is just as good or better [than CBD], when it may not necessarily be for everyone,” Thompson says. “It just made it a little tougher because marijuana has become so rampant in the state.”

Hemp-derived CBD products at Arbuckle Outdoors are placed by the cash registers, where staff can engage customers in educational conversations. Thompson and staff encourage customers to use personal judgement in



Place CBD products by registers to allow for educational conversations. Photo: Arbuckle Outdoors.

determining what works best for them and to do additional research on top of what staff shares.

“A lot of people can see that you’re not just trying to make money off of them,” Thompson says. “You’re trying to educate them and teach them what would be best for them. A lot of people are going to come back to you and the products that you have if you believe in them.”

Thompson cautions other retailers from making particular claims when it comes to CBD.

“This isn’t a cure, treatment or prevention method. You can’t say that because it’s against FDA rules.”

### Things to Consider

When it comes to choosing which products to carry, both Pahl and Thompson encourage garden centers to do their research on how a supplier’s hemp is grown and to request a Certificate of Analysis, which determines the quality and purity of CBD products.

“Hopefully they get information from the company that they’re buying from and it’s not a hassle,” Pahl says. “They should be transparent as they possibly can. There should be nothing to hide.”

Even if you are just considering growing hemp, like Arbuckle Outdoors, Thompson warns there are significant testing costs and recommends starting hemp production on a small scale with one or two strains.

While it can be a challenging endeavor, introducing CBD products into your inventory can help customers keep your garden center in mind any time of the year, Pahl says.

“People will come into your store in the winter time instead of forgetting you exist. It’s a nice addition to the business. Now I’m not saying you’re not going to be sitting on a beach from it but it’s a nice cash flow.” 🌱