# **Executive Summary ~ Baked Frosting**



## <u>Preliminary Information</u>

#### 1. Business & Product Introduction

#### 1.1 Overview

- 1.1a Business Mission: Baked Frosting aims to redefine gourmet experiences by incorporating premium, THC-infused frostings into the culinary arts. Our mission focuses on enhancing flavors while ensuring the benefits of THC are accessible in a luxury format, using sustainably sourced ingredients to align with health-conscious consumer trends.
- 1.1b Vision: Aspiring to be a leader in the cannabis edibles market in Missouri, Baked Frosting envisions setting the gold standard for luxury cannabis-infused desserts. Our vision extends beyond Missouri, aiming for national recognition and presence, leveraging advanced culinary techniques and high-quality cannabis.

#### • 1.1c Market Opportunity:

- U.S. Cannabis Market Growth: Baked Frosting aims to capitalize on the U.S. cannabis market which are projected to rise to \$39.85 billion by 2024 and expected to exceed \$53 billion by 2027, focusing on premium, differentiated products as market openness and legalization trends continue. BDSA
- Microdosing Trend: Opportunity for Baked Frosting to develop product lines such as microdosed edibles, catering to consumer preferences for THC's therapeutic benefits without strong psychoactive effects. <u>Substance Market</u>

- Craft Cannabis Products Demand: With growing consumer demand for high-quality, craft cannabis products, Baked Frosting can tap into personalization and premium trends in both recreational and medicinally legal states. Ganjapreneur
- Cannabis-Infused Edibles Market Growth: The market is projected to reach USD 20.60 billion by 2028, at a CAGR of 16.30%, presenting significant opportunities for Baked Frosting in high-quality cannabis edibles. Mordor Intelligence
- Global Market Expansion: Forecasted growth from USD 33.84 billion in 2024 to USD 69.25 billion by 2029 at a CAGR of 15.40%, enabling Baked Frosting to focus on high-quality edible products for both medical and recreational sectors.
  Mordor Intelligence Cannabis Market
- Cannabis Packaging Market Growth: Projected CAGR of 24.3% from 2024 to 2029 highlights the importance of innovative packaging solutions in product differentiation and compliance. Mordor Intelligence Cannabis Packaging Market
- Robust U.S. Cannabis Sales: Sales expected to exceed \$33 billion by the end of 2024 and anticipated to reach \$52 billion by 2026, providing growth opportunities aligned with market trends. <a href="NPWS Cannabis Industry Statistics">NPWS Cannabis Industry Statistics</a>
- Projected Market Size by 2030: The U.S. cannabis market is expected to reach \$47.5 billion, offering Baked Frosting a chance to leverage market expansion with high-quality, differentiated edible products. <u>ScottMax Cannabis Industry</u> Statistics

## 2. Business Model and Objectives

#### 2.1 Business Strategy

- 2.1a Innovative Product Line:
  - Gourmet Cannabis Product Demand: Baked Frosting combines the art of high-end dessert cuisine with cannabinoid science to create unique, high-quality cannabis experiences. Our flagship vanilla luxury frosting recipe allows for versatile consumption paired with of a variety of foods, beyond the typical cookie, brownie, or gummy. This meets the growing consumer demand for variety in their gourmet cannabis products. Grand View Research, Cannabis Industry Assoc.

Cannabis-Infused Desserts: The rising demand for unique, high-quality cannabis experiences and advancements in culinary techniques highlight a shift towards more diverse and functional cannabis products. Baked Frosting's innovative product line, which combines the art of high-end dessert cuisine with cannabinoid science, has the potential to extend to include a wider range of desserts. Substance Market

#### • 2.1b Compliance and Quality Focus:

- Regulatory Compliance Emphasis: Adhering to regulatory requirements and focusing on the highest quality and safety standards is crucial to ensure robust market entry, as the edibles market is expected to reach USD 37.11 billion by 2032. It is important to maintain high standards in product quality and safety to align with regulatory trends for sustained growth and market access. MJBizDaily, Mordor Intelligence, Ganjapreneur
- Packaging Compliance Needs: Emphasis on child-resistant and tamperevident packaging to meet increasing legislative requirements. <u>Mordor Intelligence Cannabis Packaging Market</u>

#### 2.2 Primary Objectives

- **2.2a Market Penetration:** To swiftly capture and grow a strong market presence in Missouri, employing targeted marketing strategies and robust distribution channels that emphasize product quality and consumer education (BDSA).
- 2.2b Expansion Plans: Following successful establishment in Missouri, plans include scaling the business model to dispensary shelves, online sales and other states, capitalizing on emerging markets within the U.S., and diversifying the product range to include new flavors and cannabis-infused culinary products (MJBizDaily) (Mordor Intelligence™).

## 3. Market Analysis

#### 3.1 Industry Growth

- 3.1a Market Size and Potential:
  - ❖ Edibles Market: The cannabis industry, particularly the edibles segment, is experiencing exponential growth, with the U.S. market anticipated to expand significantly due to legislative changes and increased consumer acceptance. The market value of the edibles segment alone is expected to reach \$37.11 billion by 2032. This growth trajectory underscores the expanding market potential for luxury edible products like those from Baked Frosting, where demand for high-quality, innovative products is rising (BDSA).
  - Continued Market Growth: Innovations like water-soluble cannabinoids for beverages showcase the increasing consumer demand for functional, easy-toconsume cannabis products, offering Baked Frosting opportunities in new product segments as this would be a frosting that can be placed on top or within many food items consumers likely already have in their homes or while traveling. Substance Market
  - ❖ Rising Market Value: The cannabis market is projected to grow to USD 69.25 billion by 2029, indicating a significant want and demand for a variety of luxury edible products. Mordor Intelligence Cannabis Market
  - Consumer Trends and Sales Growth: Notable increases in cannabis consumption, including a 55% rise in purchases by female consumers, highlight expanding consumer bases and potential for targeted marketing. NPWS Cannabis Industry Statistics
  - Broadening Market Acceptance: An 88% approval rating for cannabis legalization among U.S. adults underscores potential for expanded consumer reach and market penetration. <u>ScottMax Cannabis Industry Statistics</u>
- 3.1b Consumer Demographics: Our target demographic includes adults over the age of 21 who appreciate gourmet products and are looking for premium cannabis experiences that can be consumed for taste and nourishment rather than just inhaling. This group values quality, consistency, and the culinary arts, making them ideal customers for our luxury products that align to variety (Grand View Research) (Cannabis Industry Assoc.).

#### 3.2 Competitive Landscape

• 3.2a Direct Competitors: The market includes a variety of edibles manufacturers, but few focus on the high-end, gourmet segment that Baked Frosting targets. Our analysis of competitors focuses on differentiating through unparalleled quality and unique product offerings (MJBizDaily) (Mordor Intelligence™).

#### • 3.2b Indirect Competitors:

- ❖ Competitive Landscape: Besides cannabis-infused product makers, our indirect competitors include traditional luxury dessert and confectionery brands. Strategic marketing and positioning of our products as superior in quality and experience are key to gaining a competitive edge (BDSA).
- Emerging Beverage Segment: The popularity of cannabis beverages, noted for their discreet use and rapid onset times, represents a growing competitive segment, suggesting a strategy adjustment for Baked Frosting but also suggest a need and want for these types of edible THC products. <u>Substance Market</u>
- Normalization of Cannabis Use: Growing public acceptance and the normalization of cannabis use suggest a broadening consumer market, impacting competitive dynamics. NPWS Cannabis Industry Statistics

## 4. Strategic Intent

#### 4.1 Product Excellence

#### • 4.1a High-Quality Ingredients:

- ❖ Commitment to Quality: The market demands high-quality, health-conscious products that not only deliver the trusted consistent benefits of THC delivery but also just as important, the taste. Trends indicate a growing preference for edibles that fit a health-oriented lifestyle along with a normalized everyday lifestyle, which supports Baked Frosting's commitment to using organic and premium ingredients such as organic Madagascar vanilla and other top shelf ingredients not typical in regular frostings, combined with top-grade, lab-tested THC extracts to ensure a gourmet culinary experience that is consistent and enjoyable (Grand View Research, Cannabis Industry Assoc.).
- Craft Cannabis Trend: A shift towards craft cannabis highlights a demand for unique, high-quality products from sustainably sourced and artisanal ingredients, aligning with Baked Frosting's mission. <a href="Ganjapreneur">Ganjapreneur</a>

• 4.1b Consistent Dosing: Each product is crafted to deliver precise and reliable dosing, ensuring safety and effectiveness. This commitment to consistency helps in building customer trust and loyalty in a market where dosing accuracy can vary widely throwing off the experience as well just important, the taste (MJBizDaily) (Mordor Intelligence™).

#### 4.2 Customer Experience

• 4.2a Enhanced Culinary Experience: Our products are designed not just to satisfy the palate but also to enhance the overall dining experience, merging the pleasures of gourmet desserts with the benefits of THC. This approach aims to attract a sophisticated clientele that appreciates the finer details in both flavor and effect (Grand View Research) (Cannabis Industry Assoc.).

#### 4.2b Market Positioning:

- **Luxury and Quality Focus:** Our marketing strategy emphasizes these aspects, targeting discerning consumers who value both innovation and traditional culinary excellence. The competitive landscape in cannabis edibles is rapidly evolving, with a significant presence of brands focusing on natural and organic product offerings. (MJBizDaily, Mordor Intelligence™).
- ❖ Specialized Product Interest: Increasing consumer interest in specialized cannabis products like THC-infused beverages, edibles and more normalized ingredients found in the kitchen underlines the need for innovative product development and marketing strategies focused on quality and education.

  Ganjapreneur

## 5. Regulatory and Market Context

#### 5.1 Regulatory Framework

• **5.1a Compliance Strategy:** The dynamic regulatory environment of the cannabis industry, particularly in edibles, poses challenges and opportunities. Baked Frosting is committed to adhering to the evolving legal landscape by proactively engaging with regulatory bodies to ensure all products meet state and federal guidelines. This rigorous compliance not only protects the business but also reassures consumers about the quality and safety of our products, which is crucial for navigating this complex landscape effectively (Grand View Research, Cannabis Industry Assoc.).

• <u>5.1b Safety and Standards:</u> Prioritizing safety through rigorous testing and quality control measures that exceed industry standards. By establishing stringent internal protocols and partnering with reputable third-party labs, ensuring each batch of our product is consistent and safe, fostering trust and reliability among our customer base (MJBizDaily) (Mordor Intelligence™).

#### 5.2 Market Acceptance

- **5.2a Consumer Acceptance:** The growing legalization and normalization of cannabis across the U.S. have fostered greater acceptance among mainstream consumers. Marketing campaigns will focus on educating the public about the benefits and safety of cannabis-infused products, thus broadening our market reach and acceptance (BDSA).
- <u>5.2b Educational Efforts:</u> Investing in consumer education to demystify cannabis usage and promote its benefits in a culinary context. From workshops, tasting events, and collaborations with chefs, influencers and local communities to showcase the versatility and potential of cannabis-infused culinary products (<u>Grand View Research</u>) (<u>Cannabis Industry Assoc.</u>).

## 6. Financial Projections and Funding

#### 6.1 Funding Requirements

- 6.1a Capital Needs: Initial funding is directed towards scaling production capabilities, establishing distribution networks, and extensive marketing campaigns. Detailed financial plans developed to guide investment in infrastructure, technology, and human resources necessary to achieve strategic objectives (MJBizDaily) (Mordor Intelligence™).
- 6.1b Funding Sources: We are exploring a variety of funding sources, including venture capital, military veteran small business guidance, private equity, and strategic partnerships. These funds will be crucial for supporting our growth strategy, particularly in expanding market presence and enhancing product development (BDSA).

#### 6.2 Financial Outlook

- 6.2a Revenue Projections: Based on market research and projected consumer demand, we anticipate a strong revenue growth trajectory. Financial models suggest profitability late within the first year of operations and scalability within the second year, driven by robust sales and effective cost management (Grand View Research) (Cannabis Industry Assoc.).
- <u>6.2b Return on Investment:</u> Potential investors would see a compelling return on investment, underscored by detailed market analysis and conservative financial forecasts. Projections indicate a high potential for market penetration and scalability, making Baked Frosting an attractive opportunity for long-term investment (MJBizDaily) (Mordor Intelligence™).

#### 7. Conclusion

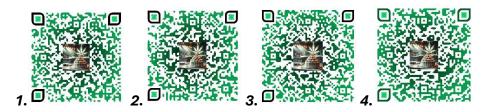
### 7.1 Strategic Summary

- 7.1a Unique Positioning: Baked Frosting 's unique market positioning as a purveyor
  of luxury, THC-infused versatile desserts set it apart in the rapidly growing cannabis
  market. Our focus on quality, customer experience, and compliance positions us to
  capitalize on industry trends and consumer preferences (BDSA).
- 7.1b Call to Action: Inviting investors and stakeholders to join in this exciting venture. With a solid business model, clear strategic objectives, and a detailed market analysis, Baked Frosting is poised for success and ready to lead the market in innovation and luxury THC-infused desserts. (Grand View Research) (Cannabis Industry Assoc.).

### **Executive Summary Cited Research Sources**

#### Market Reports and Analysis

- 1. US Cannabis Market Analysis Grand View Research
- 2. Cannabis Market Report Mordor Intelligence
- 3. Cannabis Infused Edible Products Market Mordor Intelligence
- 4. Cannabis Packaging Market Mordor Intelligence



### Sales and Industry Trends

- 1. US Cannabis Sales Estimates MJBizDaily
- 2. Cannabis Industry Statistics NPWS
- 3. Cannabis Industry Statistics to Know ScottMax
- 4. BDSA 2024 Cannabis Industry Predictions



### > Industry Insights and Future Trends

1. Navigating the Cannabis Landscape in 2024 - Cannabis Industry

