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Hammer Enterprises Sets The Standard For The Global Hemp Industry



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Interview conducted by:
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CEOCFO: *Mr. Robinson, would you tell us the idea behind Hammer Enterprises?*

Mr. Robinson: The basic idea behind Hammer Enterprises, from a company standpoint, is to provide a good, clean, trusted, quality CBD products derived from industrial hemp.

CEOCFO: *What are the challenges in having a good, clean product?*

Mr. Robinson: One of the challenges is standards. There has been very little standards set since the hemp and CBD boom has hit the market. Being able to control your processes from growing all the way through extraction and keeping your business focused on what is most important (which is setting standards that do not exist), has always been a challenge when it comes to trying to separate ourselves from other competitors.

Many people do not understand basic things like certifications, ISO 9001 (international standard for a quality management system) and CGMP (Current Good Manufacturing Practice), which are now more commonly buzz words in our industry. As we began our business trying to create a standard, it has always been bypassed because most people who were entering the industry at that time were jumping in with no knowledge of what anything from a manufacturing standpoint meant and why those things are important. Educating people on the safeties behind setting standards has been a big challenge for us.

CEOCFO: *Do you find people are becoming more discerning today - recognizing the need for quality products?*

"One of the things they might miss is our attention to detail and what we put on the backend to make sure that people who are taking our product or selling our product to other people know that it is a trusted product. For example, nothing in our facility is less than food grade; we only bring in food grade or better material. That goes from a solvent all the way down to packaging. We also spend a lot of time and energy on concentrating on our social responsibility and on environmental things. We put a tremendous amount of time and energy on making sure we're recycling things, that we control our waste management and donate to the right causes, as well as putting our best foot forward. This business is not just a money-making play for us, we know that anybody and everybody interested in trying a good, clean product should be doing business with Hammer Enterprises or Hammer's partners." - Harold Robinson

Mr. Robinson: There is a tremendous amount of information out on why recognizing quality standards is important. Now that our industry is getting a lot of additional corporate America investors and CEOs, and as our product gets closer to big box stores, Kroger's, and CVS, all those things now have fallen in line with brands that have been around for four or five years, who may at the time bypassed all of those things that were important from transparency standpoint. Now they are calling for those types of things to separate themselves and create a competitive advantage in a saturated market when it comes to just a brand itself and what it is delivering to a consumer.

CEOCFO: *What are you growing and processing?*

Mr. Robinson: Hammer Enterprises is truly a vertically integrated manufacturing company of hemp and CBD. We have around 1500 acres under management where we grew successfully on 1200 acres this year. 400 of those acres are USDA-Certified Organic, all from clones in the State of Colorado. We also have a propagation program that has the Clones USDA-Certified Organic and 40,000 square ft. greenhouse in Strasburg, Colorado, where we do most of our cloning and things of that nature for our growing. In the City of Evergreen, we have a 12,000 sq. ft. facility where we house our extraction, formulation and refinement as well as our shipping and receiving.

We also have a certified testing lab where we test all of our products before we send them out for our third-party testing. We do multiple testing processes as well as provide third-party testing for all of our customers. When it comes to a separation, most of our competitors may be partnered up with different farms and things like that, but Hammer Enterprises, since the day it has started, has used the same clone and the same genetics and provided consistent products, anywhere from between 200 to 250 brands, some recognized, and has been for the last four years a true brand builder behind the scenes as the secret sauce for many of the brands that people recognize today in the market.

CEOCFO: *What might you test for that other people might not think is important?*

Mr. Robinson: A lot of it comes down to things such as potency, heavy metals, pesticides, mycotoxins and residual solvents. We also do a single and double dilution to really drill down above and beyond what your standard testing facilities will test for in order to make sure we are detecting the trace cannabinoids that your basic testing facilities may not test for. We create a more stringent test result. It may be common to have anywhere from 5% to 10% variant when it comes for testing for your potency and true cannabinoids in a product. Hammer Enterprises tests anywhere between a 1% and 3% so we have an even tighter success ratio to make sure every single product that we send out on the market has at least met or exceeded expectations.

CEOCFO: *Who is buying your products?*

Mr. Robinson: Hammer Enterprises first and foremost is an ingredient supply manufacturer. We do a tremendous amount of bulk ingredient supplying and providing for the brands who want to take on their own manufacturing and fulfillment of their products. On top of that, we probably support about 200 to 250 brands from a white label standpoint.

We are primarily a bulk ingredient supplier for a white label finished product provider. We make anywhere between 500 to 800 unique products from a customization standpoint, and sometimes drill all the way down to the bottle or color, which can get up into the thousands when you take one unique product and package it a multitude of ways.

CEO CFO: How do you handle some of the challenges of providing so many different variations to customize?

Mr. Robinson: One of the biggest challenges is you have to be ahead of technology in order to keep yourself efficient. It is getting out there and understanding what is new in our industry from a manufacturing standpoint and then bringing in the proper people and the proper background of people in order to advise us properly. To grow our business efficiently has been a major challenge. Hammer Enterprises has employed people with food and safety and inspection backgrounds, all the way through with people that has relationships with CDPHE and other regulatory bodies to properly advise us on how we can stay afloat and how we can meet our standards.

CEO CFO: What surprised you about the industry as well as how Hammer Enterprises has grown and evolved?

Mr. Robinson: What surprised me is how fast information and excitement for CBD and hemp has happened. I can remember four or five years ago having a conversation with someone and trying to educate them the difference between marijuana and hemp and that was quite the challenge because at the end of the conversation, they were just convinced that we were selling marijuana. Today I can talk to the lady at the grocery store, I can talk to the chiropractor, the doctor on the plane, and all of them will have some kind of exposure to CBD now. It sparks interest in a deeper conversation of not only what we do but how we do it, how it brought us into the industry or how they can learn more about finding their trusted source because navigating through ecommerce sites and getting all the vast publicity from some of the brands who don't have a trusted source has allowed people to have more questions and become a little smarter when it comes to consumers purchasing CBD products. I think that is a good place to be in and a good direction were headed in.

CEO CFO: Do your customers know what they want when they contact you?

Mr. Robinson: About 20% are people who have been thinking about coming into this industry and have been referred to us, had heard about us, or have sourced us and have come to us and asked for a recommendation from being a consultant of what brands are most important for them to be looking at first, what has been most successful based on recommendation of our biggest brands and how they can make theirs more unique, and create a separation within the market.

The other 80% of the businesses are established or we helped establish them over the last three to five years and they know exactly what they want. They have a strategy and a direction, and they just come to us and tell us how they want it now or tell us the trends that they see and ask us to do for them. For the most part we can do it for them, but we

still love bringing on new businesses and helping them come into this market and helping them with a strategy to enter the market.

CEOCFO: *There are so many people getting in and out of the industry. How do you know you are working with someone that is a good customer?*

Mr. Robinson: That is one of the challenges we have had over the last few years, understanding that not all business is good. A lot of that starts with the direction of the customer and what is important to them. If they tell us the bottom line is they are looking for a commodity to sell, we already know that is not a good relationship for us because we consider all of our customers partners of ours and we consider that we are the most important partner when it comes to their business.

If our customers do not believe in the philosophy that our name and their name is one in the same when they put the brand and the label on the package and put it on the shelf, we know right away that is not a good fit. We know all money is not good money and we try to separate ourselves from the industry where there may just be a commodity push or the brokers who are just looking to buy large volumes low and sell it to the market to make margins. We are truly a relationship driven business and if people come to us and that is not important to them, we know they are not a good fit from the start.

CEOCFO: *What is ahead for Hammer Enterprises?*

Mr. Robinson: The direction that we are headed in is we have spent the last three or four years self-invested in Hammer Enterprises to scale our business to the point that we are now ready to take on and manufacture for some of the larger businesses. One of the most important things Hammer Enterprises can do moving forward is try to figure out the best way for us to partner with recognizable brands who are looking for good, clean, trusted products to add to their product lines to continue to grow the CBD craze and add more products to their national shelves and national footprint. Our goal moving forward is to scale ourselves to a level that we take on those big businesses and support them and their demand for CBD ingredients.

CEOCFO: *What if anything might people miss when the first look at Hammer Enterprises?*

Mr. Robinson: One of the things they might miss is our attention to detail and what we put on the backend to make sure that people who are taking our product or selling our product to other people know that it is a trusted product. For example, nothing in our facility is less than food grade; we only bring in food grade or better material. That goes from a solvent all the way down to packaging. We also spend a lot of time and energy on concentrating on our social responsibility and on environmental things. We put a tremendous amount of time and energy on making sure we're recycling things, that we control our waste management and donate to the right causes, as well as putting our best foot forward. This business is not just a money-making play for us, we know that anybody and everybody interested in trying a good, clean product should be doing business with Hammer Enterprises or Hammer's partners.