

Chocolate and Cannabis: A Match Made in New Jersey

David Little of Inclusion Gourmet discusses the company's foray into edibles with products for sleep, pain and energy.



DAVID LITTLE,
"CHOCOPRENEUR"
& FORMULATOR
INCLUSION GOURMET

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By Sheldon Baker 05.16.24

A CPA turned "chocopreneur" and formulator, David Little is the managing member of New Jersey-based [Inclusion Gourmet](#). He and his staff produce innovative edible products. Recently, Inclusion Gourmet became the first independent processor of cannabis infused edibles in the state of New Jersey.

For over 30 years, Little's team of scientists, chefs, flavor technologists, and compounding pharmacists have researched a variety of carrier bases before settling on chocolate selected because of its overall taste appeal and bioavailability.

His team works with various partners to ensure consistency across all brand lines. Inclusion Gourmet operates in an FDA registered, cGMP facility and is a member of the FDA's distributed products for many top consumer brands including Starbucks, Kraft/Gevalia, Keurig, Christian Dior, and Diageo. He is a graduate of Emory University in Atlanta, Georgia.

Area Code 420 (AC 420): For several years you've been manufacturing chocolate infused with vitamin ingredients. Now you have switched to cannabis. What was the motivation for this change?

Little: It was a good business decision based on our 30 years' experience in manufacturing chocolate and the new licensing that was available in New Jersey, our home base of the CFR of the FDA regulations (the only cannabis company that can say that in NJ) to get into cannabis chocolate products was a natural extension of our competencies.

This allows us to continue to add value through our know-how and maintain our position of brands that evolve as market needs evolve. We were lucky enough to have learned conceptualizing, designing, and creating an alternative confectionery delivery system. Our mentors include Mark Thurston from AIDP, Brandon Naulty of NutraSweet, Sabi

Once the licensing process was open, we knew that our background would enable our team to create more than the run-of-the-mill psychotropic cannabis products, which is why cannabis is our tagline and driving force.

AC 420: New Jersey has a strict cannabis approval process for such a business. Is it because the state is new to legal cannabis sales?

Little: Most definitely. All states that initiate legal cannabis sales and production go through mostly the same processes. They visit the officials in other legalized states and a subset of experienced state agencies.

The NJ Cannabis Regulatory Commission (NJ CRC) has based some of their regulations on Massachusetts and Maryland's rules. According to Todd Johnson, executive director, they were very intentional with their licensing process. The goal has always been to create a cannabis industry that prioritizes health and public safety. The licensing process allows for patients and recreational consumers to be confident in their knowledge of what they are purchasing.

AC 420: You can only sell to companies or dispensaries in your state. Is the market big enough to generate significant profits?

Little: That's one of the \$64,000 questions. The answer is yes for now. All states seem to go through the typical cannabis product life cycle: introduction, growth, maturity, and then a shakeout of both legitimate and illegitimate survivors.

If one follows the history of cannabis businesses in the preceding legalized states, it's not such a great long-term business, especially for retailers. Like many other businesses, others are held back by the length of time it takes to get licenses and approvals.

There is generally a lack of innovation in products, and there can be over supply of both legal and illegal market products, which naturally leads to price erosion and both supply and demand issues.

Another factor common to all legalized states is the changing political climate at the state and local levels, as well as: supply of appropriately zoned real estate, number of retailers, and tax regulations. In NJ, we have only one-third of the 565 municipalities that have approved any form of cannabis businesses, and the least favorable choice seems to be the municipalities where there are municipal approvals creating a hyper competitive environment.

Right now, the 500-pound gorilla is the possibility of federal rescheduling and making cannabis more legalized. Technically they could reschedule it from the highly addictive effect of this would be to allow interstate shipping and purchasing of product thereby removing the intrastate advantage that existing cannabis businesses now have.

Many think this will be a win for business owners, especially lowering the 280E tax burden for the retailers. Although the consumer might win, those in the cannabis business

businesses over the long term, eroding their state monopoly, lowering the market price of products and related margins, and eventually leading to a wave of personal bankruptcy

New Jersey is already trending at almost \$1 billion in sales and an anticipated \$2 billion. Other states that are coming in will eclipse those numbers including Ohio, Florida approximately 40% flower, 30% vapes, and 20% edibles, the majority being gummies and chocolate. Many states are reevaluating the legality of the alternative synthetic cannabis production so long as they go through the state cannabis program.

AC 420: What has been the response to your product so far?

Little: Since we are the first and only GMP certified, independent manufacturer of confectionery, with an emphasis in cannabis functionality and a specialty in chocolate, we hear from the dispensaries that the Garden State needs more, better quality, independently produced products.

AC 420: How much THC is in a typical chocolate product? Enough to get a person buzzed and legally not drive.

Little: New Jersey's legal recreational limit is 10 mg; some states (Massachusetts) are 5 mg, and others are not restricted. So, it varies all over the map. The maximum state level of THC affects the individual is based on their experience with cannabis. Canna Connoisseurs, (as experienced users are called) sometimes require multiple dosages to feel users are called), can get quite a buzz from even a small amount.

A popular practice that we follow is the new growth of micro-dosing edibles. This is where a less than maximum amount of 10 mg, say 5 mg is the item dose, though there is a tendency now towards lower sample sizes of four items for a 20 mg starter pack concept.

AC 420: What type of chocolate products will you offer?

Little: Presently we offer eight, going on 10 items which are all different in shape, flavor, packaging, and some in functionality. Our most popular is our Wind Down sleep formula clinically proven ingredients on top of the cannabis and cannabinoids to create the entourage effect.

The top three items that customers look to achieve with cannabis from a health and nutraceutical viewpoint are sleep challenges, pain reduction, and providing energy. We are contemplated by the general cannabis processing community. The state product approval is very intensive (i.e., submission of many documents, formulations, and packaging a product online. It can take at least 3-6 months for new concepts to be approved.

AC 420: Will you be able to provide custom products?

Little: Yes, to a limited extent. We will offer both white and private label versions of some of our concepts. We are constantly creating new products using our experience, and capabilities that will set our products apart from the others found anywhere in NJ.

AC 420: Have you abandoned the nutraceutical industry?

Little: Not at all. In our view, cannabis is really a highly regulated nutraceutical, purchased OTC, pre-made into set configurations, intended to create a certain effect or assist

Thus, we stay involved in the nutraceutical industry since that drives creativity and concepts and are always looking for industry partners that want to bring their products in will take on the role of mini-pharmacies, offering an alternative to prescription medicine, readily available at a lower cost.

There is also an interesting intersection of herbal medicine/natural good stores and dispensaries which you see in the way some of the dispensaries are positioning themselves both dosed and non-dosed products which will help legitimize the beneficial effects of nutraceutical THC products.

AC 420: What does the future hold, both statewide and nationally, and for your company?

Little: Once deregulation hits, it's anyone's guess. Though it shouldn't have an effect overnight, as states would want a continuing share of the revenue. We plan to continue concepts that may involve broader nutraceutical combinations addressing more specific issues beyond energy, sleep, pain, and other maladies. As demand continues, we see suppliers.

***About the Author:** Sheldon Baker is a full-time freelance writer who covers health and wellness and other fun topics for Nutraceuticals World, Rodman Media, and other publications. He enjoys exploring worldwide destinations, especially New York City, Mumbai, India, and Sydney, AU. He's also happy to hang out at home with his wife a Twitter [@SCB3128](#) or send him an email at contact@the420areacode.com.*

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