

DEA Rescheduling: A Milestone for Cannabis Integration in Pharma and Biotech

MIAMI, May 30, 2024, The impending DEA rescheduling of marijuana to a Schedule III controlled substance presents a momentous opportunity for state-licensed cannabis processing businesses. This change allows these businesses to diversify revenue streams, exponentially increase profits, and expand their geographic reach worldwide.

Prodigy Processing Solutions Leads Industry's Transition to FDA GMP Standards

Prodigy Processing Solutions is at the forefront of this industry transformation. The company specializes in cannabis extraction processing technology, which extracts and purifies oil from the cannabis plant to produce consumable goods containing THC, CBD, and other cannabinoids. Due to federal illegality, these operations have been confined to recreational or medicinal cannabis production within individual states or have operated as resource-intensive multi-state operators (MSOs).

Opportunities Under Schedule III

With the reclassification of cannabis-derived compounds to Schedule III, these substances will become federally legal as active ingredients in prescription medications. This opens numerous lucrative possibilities for cannabis labs, particularly in pharmaceutical and biotech research and development. By pivoting towards these sectors, cannabis labs can engage in contract research and manufacturing with nationwide and international distribution.

The pharmaceutical sector is known for its high profit margins, with gross profit margins averaging 76.5% and net income margins around 13.8%. This sector offers a lucrative landscape for cannabis processors looking to diversify their revenue streams, expand distribution channels, and maximize profitability.

Upgrading Operations for Compliance

To capitalize on this groundbreaking opportunity, state-licensed cannabis labs will need to upgrade their operations to meet FDA GMP (Good Manufacturing Practices) standards, obtain DEA registration, and comply with additional regulatory guidelines. These requirements will vary depending on the location of the extraction facility and the nature of the pharmaceutical processing and business goals.

Marc Beginin, CEO of Prodigy Processing Solutions, emphasizes the transformative potential of this shift: "By aligning with FDA regulations under Schedule III, cannabis processors can harness their expertise to drive innovation in pharmaceutical and biotech R&D, positioning themselves at the forefront of a growing industry."

Prodigy's Role in the Transition

Prodigy Processing Solutions is leading the charge towards GMP compliance and facilitating the integration of cannabis labs into the pharmaceutical and biotech industries. The company offers FDA cGMP and EU GMP compliant extraction equipment and integrative services. With a focus on innovation and quality, Prodigy empowers cannabis processors to embrace this paradigm shift and capitalize on the vast opportunities that lie ahead.

The global pharmaceutical contract manufacturing market is projected to grow from \$172 billion in 2023 to \$330 billion by 2033. North American cannabis processors have a unique opportunity to capitalize on this trend.

“Our ASME and PSI certified extraction systems utilize only 316L pharmaceutical-grade stainless steel and are fully compliant with FDA cGMP and EU GMP standards,” continues Beginin. “Made in the USA, Prodigy’s systems are customizable to meet specific production needs while ensuring a smooth transition to pharmaceutical-grade production.”

Comprehensive Support Services

In addition to advanced extraction technology, Prodigy offers a comprehensive suite of ancillary equipment and services. These include architecture, MEP design/build, product SOPs, certified extraction training, and GMP integration for food and pharmaceutical compliance worldwide.

With Prodigy Processing Solutions leading the charge towards pharmaceutical-grade standards, the future of cannabis processing is set for unprecedented growth and transformation under Schedule III.

About Prodigy Processing Solutions

Prodigy Processing Solutions is a leader in advanced extraction technology and integrative services for the cannabis and hemp industries. Committed to excellence, innovation, and compliance, Prodigy offers state-of-the-art extraction systems and comprehensive support services that meet or exceed FDA cGMP and EU GMP standards. Prodigy’s cutting-edge extraction systems, including 316L pharmaceutical-grade stainless steel systems certified by ASME and PSI, are designed to ensure seamless transitions to pharmaceutical-grade production.

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