

Cannabis Outlets Retail Landscape

Unveiling the Tobacco and Nicotine Retail Sales Landscape: Insights for Policy and Economic Research

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Introduction

Understand and address the implications of the decline in medical cannabis outlets

The recreational and medical cannabis market in the United States is expected to reach a projected revenue of \$67.2B by 2030, up from \$31.4B in 2024.¹ This growth is driven in part by ongoing state legalization of recreational and medical cannabis, and destigmatization of cannabis use overall. Despite this, the number of medical cannabis outlets in the United States dropped by 1,274 in 2024, from 4,492 in January to 3,218 in December.

- Using NielsenIQ RMS and TD Linx data, this presentation explores the evolving landscape of cannabis product outlets in the United States.
- Focus will be on the decreasing number of medical cannabis outlets, with a particular emphasis on Oklahoma.
- Specifically, Oklahoma will be used as a case study highlighting the impact of public policy on medical cannabis outlets at the state and county level.

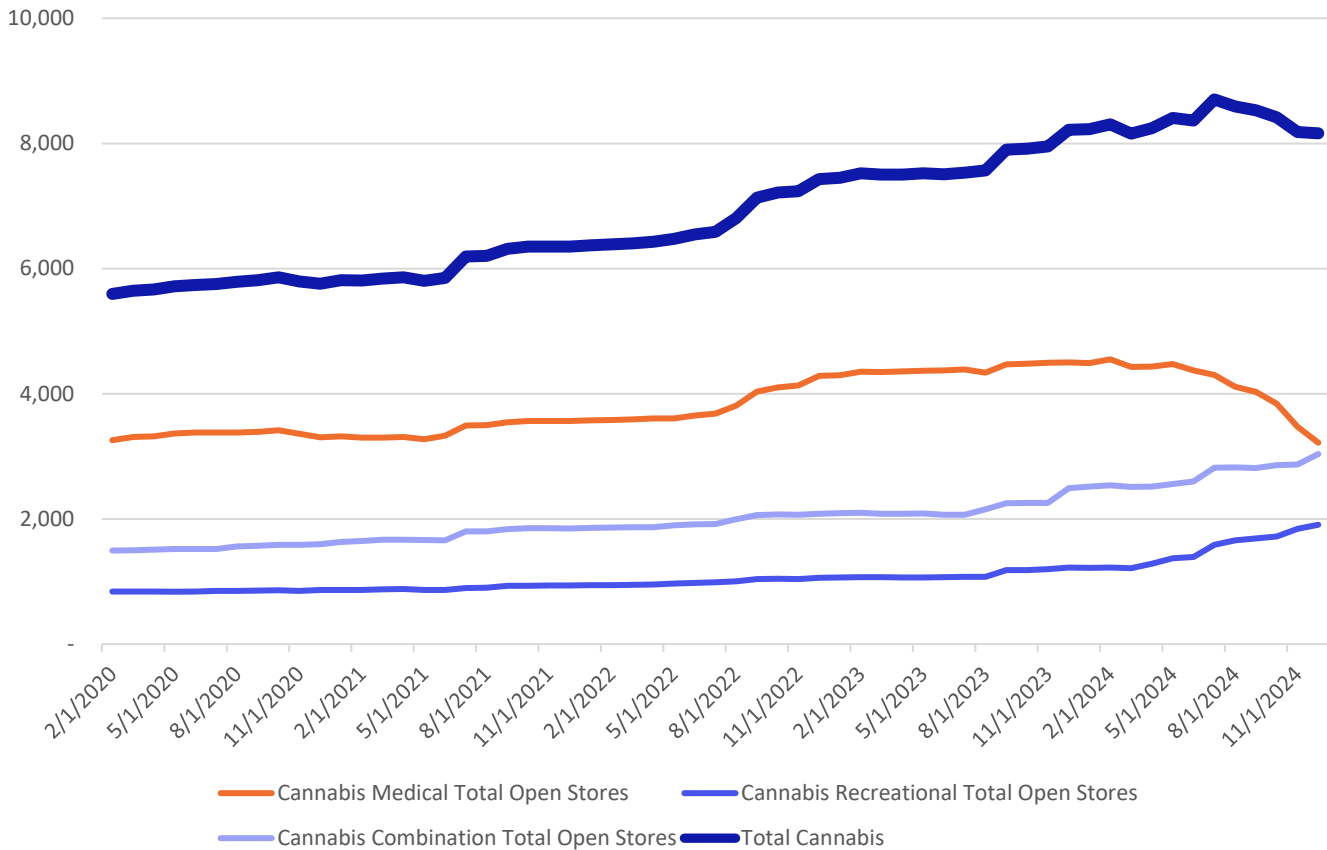
Total Cannabis Outlets declines in 2024, driven primarily by decrease in Medical Cannabis outlets

Recreational and Combination Recreational and Medical Cannabis outlets see consistent growth

US Cannabis Market Overview

- US Cannabis sales hit \$31.4B in 2024, a +\$2.6B (+9.1%) increase from 2023. The market is projected to reach \$35B in sales in 2025.²
- This market is expected to continue to grow as support across the US for legalizing cannabis in some form hit a record-high 88% in 2024.
- As of January 2024, medical cannabis is legal in 39 states and recreational cannabis is legal in an additional 24.

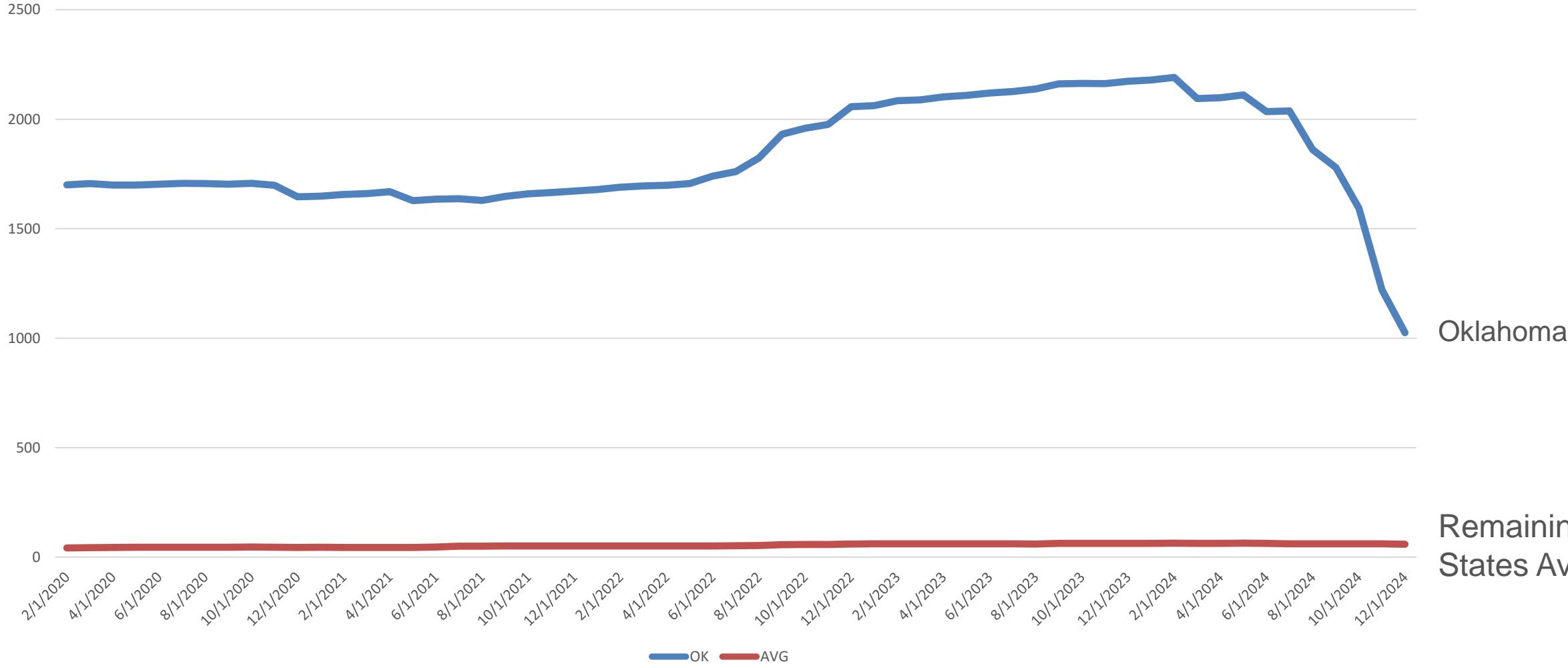
Cannabis Channel Open Stores Over Time



Source: NielsenIQ TDLinx, Total US, WE 12/13/2024

Majority of Medical Cannabis Outlets located in Oklahoma, with number decreasing rapidly in 2024

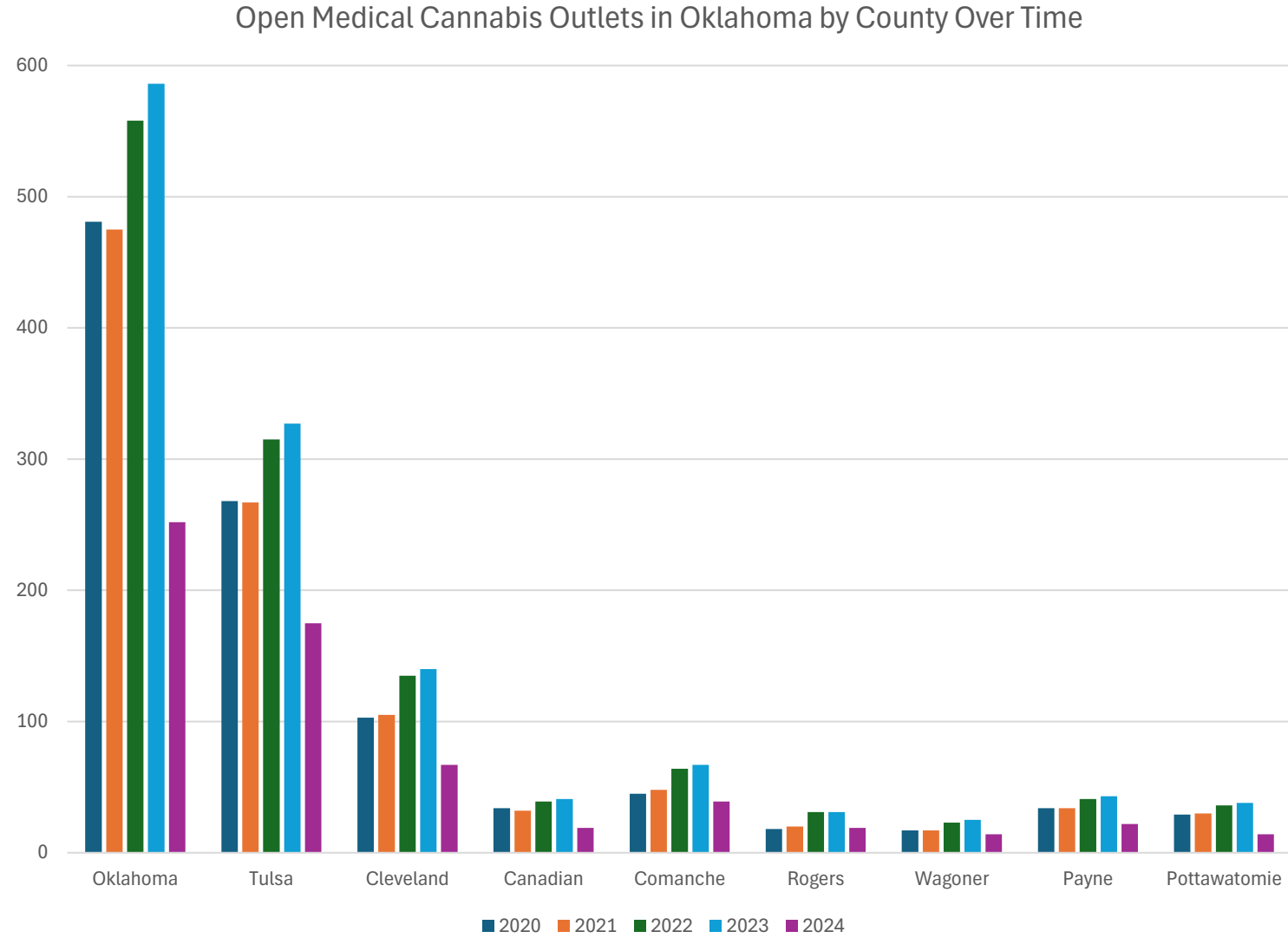
Medical Cannabis Outlets Over Time



Source: NielsenIQ TDLinx, Total US, WE 12/13/2024

Case Study: Oklahoma

- In 2018, Oklahoma approved a permissive medical cannabis program and rapidly became home to the largest number of dispensaries in the US, generating \$945M sales in 2021.^{3,4}
- However, since 2022 the state legislature has reigned the market in through laws aimed in part at limiting criminal activity and foreign state influence in the cannabis industry.⁵
- The latest regulations include new rules for employee background checks, and changes to the rules for the transfer and submission of license renewal applications.
- Oklahoma's most populous counties have seen the greatest decline in medical cannabis outlets in 2024.



Conclusion

The rise in recreational and combination cannabis outlets in 2024 is offset by a steep decline in medical cannabis outlets

- While the number of recreational and combination cannabis outlets continue their gradual rise, their growth is offset by the steep decline in medical cannabis outlets in 2024.
- The majority of these closures happened in Oklahoma, whose previously permissive regulatory landscape drove a large number of medical cannabis outlet openings.
- As Oklahoma passes stricter regulations, the number of medical cannabis outlets has experienced a steep decline.
- As the markets move forward, it will be crucial to monitor these changes and their implications and impact.
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References

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