

Cannabis Licenses Up in the US for the First Time in 2 Years

Increase in US Marijuana Business Licenses for the First Time in 2 Years

The number of pending and approved marijuana business licenses in the United States saw a notable 21% increase during the second quarter of 2024. This surge, documented in CRB Monitor's latest Cannabis Business Licensing Activity report, has brought the total number of such licenses to 5,687, marking the highest total in over two years.

Surge in New Licenses

States like New Jersey and New York have been at the forefront of this growth. Nationwide, there was a 17% increase in new licenses approved and pending compared to 2023. This boost reflects a growing optimism and expansion within these emerging markets.

Decline in Active Licenses

Despite the rise in pending and approved licenses, the number of active marijuana business licenses across the country dropped by 2% in the second quarter of 2024. This decline represents the sixth consecutive quarterly decrease in active licenses. However, no state saw a decrease in active licenses greater than 10%, indicating that regulated marijuana markets are beginning to stabilize following two years of significant consolidation.

Market Stabilization

Steve Kemmerling, Chief Executive of CRB Monitor, highlighted the evolving landscape: "The trends in cannabis business licensing in the second quarter suggest that older markets have stabilized, and operators are optimistic about emerging markets in states such as New York, New Jersey, Florida, and Ohio." This sentiment underscores the shift from a rapidly expanding market to one that is becoming more stable and mature.

Canadian Market Developments

Canada's cannabis industry is also showing signs of stabilization. According to the CRB Monitor report, the number of active licenses in Canada dropped by 6% in the second quarter, totaling 5,869, down from a peak of 6,860 in the fourth quarter of 2023. Despite this decline in active licenses, the number of approved and pending licenses increased from 12 to 14 during the same period.

The Canadian market is experiencing fewer new entrants, with a two-year low of 256 pre-licensing applications. However, cultivation and retail licenses remain the most sought-after types of cannabis licenses

in both the United States and Canada. The number of pending and approved licenses for cultivation and retail saw increases of 22% and 14%, respectively.

The increase in pending and approved marijuana business licenses in the US signals a resurgence in market activity and optimism, particularly in emerging states. Meanwhile, the Canadian market is stabilizing, with fewer new applications but steady demand for key license types. Both markets are adjusting to a new phase of maturation, reflecting broader trends in the global cannabis industry.

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