

Cannabis Sales Reach Record High in October

Retail Cannabis Sales in the U.S. Reach Record \$2.8 Billion in October, Heading for \$32.6 Billion in 2024

Retail cannabis sales in the United States reached a significant milestone in October 2024, with total sales of regulated marijuana products hitting a record \$2.8 billion. This marked a 6.2% increase from the previous year, despite a slight 2.1% dip from September. According to data from the wholesale marketplace LeafLink, the steady growth of the cannabis market continues, with projections for total retail sales in 2024 expected to surpass \$32.6 billion. This would represent a 10.8% increase compared to 2023.

Despite a minor drop in monthly sales, the cannabis industry remains resilient, buoyed by strong year-over-year growth and optimism about the future. The national cannabis market is expected to continue its upward trajectory, with projections indicating that it could become a \$55 billion market by 2030.

Resilient Growth in Cannabis Retail Sales

The cannabis retail market in the U.S. has demonstrated a steady pace of growth throughout 2024. From January to October, sales increased by 2.6%, highlighting a consistent upward trend despite occasional dips. As LeafLink's report on the third-quarter cannabis sales data notes, this growth trajectory reflects a resilient retail market that has successfully navigated economic and regulatory challenges. The overall upward momentum suggests strong consumer demand and a stable foundation for future expansion.

The October sales figure of \$2.8 billion marks a significant achievement, with the market proving itself as a key player in the U.S. economy. The anticipated \$32.6 billion in total retail cannabis sales for 2024 underscores the importance of the industry's continued growth.

Regional Expansion and New Market Licenses

A major factor fueling the cannabis market's growth in the coming years is the continued expansion of legalized cannabis in states like New York, New Jersey, and Ohio. As more states issue new retail licenses, the capacity for cannabis retail will increase, leading to greater access for consumers and an expansion of the overall market. This is expected to contribute to the industry's overall momentum, with an estimated 5,000 new cannabis retailers projected to open across the U.S. over the next two to three years.

These new openings will significantly boost the cannabis retail sector, especially in states where the industry is still in its early stages. LeafLink's report anticipates a 70% increase in cannabis retail stores, with the majority of these businesses not owned by multistate operators. This increase in store count will not only improve access to cannabis but also drive competition and innovation in the market.

State-Level Price Variations Reflect Local Market Conditions

While the overall U.S. cannabis market continues to grow, there are significant price variations from state to state. For example, Maryland saw a dramatic 23.2% drop in cannabis prices during the third quarter, while Arkansas experienced a 20.7% increase. These price differences reflect regional supply-and-demand dynamics, as well as local market conditions and regulatory factors.

The cannabis flower, which remains the top-selling product in the regulated market, accounted for around 40% of total retail sales in October. The popularity of flower products continues to dominate the market, with other categories such as vape cartridges, marijuana edibles, pre-rolls, and cannabis concentrates each making up a smaller share of sales.

Cannabis Flower Prices Drop as Supply Increases

One of the key factors influencing the price of cannabis is the seasonal outdoor harvest. In October, the price of cannabis flower fell to \$1,065 per pound, down from the peak levels observed in the summer months. This decrease in price is consistent with the typical oversupply that occurs when outdoor harvests come to market, especially in key cannabis-producing states like Michigan and Arizona.

While prices are expected to decline further through the end of the year due to the continued processing of bulk cannabis flower, experts suggest that reduced cultivation capacity in mature markets such as California, Oregon, and Colorado could help stabilize prices in 2024. These markets have seen slower cultivation rates as businesses adapt to changing market conditions and regulatory pressures.

Market Outlook: \$55 Billion by 2030

Looking ahead, the cannabis industry shows no signs of slowing down. LeafLink's report notes that the market is expected to grow at an annual rate of 11%, with total sales projected to hit \$55 billion by 2030. This optimistic forecast is driven by continued expansion in states with newly legalized cannabis markets, such as New York, New Jersey, and Ohio, as well as the growing acceptance of cannabis for both medicinal and recreational use.

In addition, the opening of new cannabis retail stores across the U.S. will contribute to the market's overall growth. These new businesses are expected to increase consumer access and drive competition, which could lead to even greater innovation and lower prices for consumers.

Consumer Demand and Retail Expansion

The continued demand for cannabis products, coupled with an expanding retail infrastructure, is setting the stage for a strong market performance in the years to come. Cannabis retailers across the country are preparing for the surge in demand that will come with the increased retail capacity in newly licensed states. As these new markets open up, retailers are anticipating increased competition, which may lead to new product offerings, better customer service, and more accessible pricing for consumers.

Cannabis flower remains the most popular product in the regulated market, but vape cartridges, edibles, pre-rolls, and concentrates are also growing in popularity as consumers seek variety and convenience. With cannabis becoming more mainstream, it's likely that demand for these products will continue to rise, further driving sales.

Challenges and Opportunities for the Cannabis Industry

Despite the strong growth prospects, the cannabis industry still faces challenges, particularly related to regulation, taxation, and competition. Many states continue to struggle with high tax rates, which can drive

up prices for consumers and make it difficult for smaller businesses to compete with larger, multistate operators. Additionally, federal cannabis prohibition remains a significant barrier to the industry's full potential, with many cannabis businesses unable to access traditional banking services or secure funding.

Nonetheless, the long-term outlook for the cannabis industry remains positive, with continued consumer demand, new market expansions, and a growing number of cannabis retailers all contributing to a bright future for the sector. As the market matures, it is expected that these challenges will gradually be addressed, leading to greater stability and profitability for businesses in the cannabis space.

The Future of Cannabis Retail

Retail cannabis sales in the United States are on track to continue breaking records as the market grows. With October's \$2.8 billion in sales marking a new high for the month, the industry shows no signs of slowing down. Projections for 2024 suggest total sales will reach \$32.6 billion, and by 2030, the market could grow to \$55 billion. As more states legalize cannabis and new retail licenses are issued, the market will expand, creating new opportunities for businesses and consumers alike. While challenges remain, the future of the cannabis retail market looks bright as demand continues to rise and more states embrace cannabis legalization.

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