

Missouri Taps NY Consultants to Assess Cannabis Industry

Missouri Hires New York Firm for \$238K Study on Cannabis Market Expansion

Missouri's Division of Cannabis Regulation has taken a major step toward shaping the future of its legal marijuana industry. State regulators awarded a \$238,700 contract to Cannabis Public Policy Consulting, a New York-based firm, to conduct a comprehensive economic impact study of the state's cannabis sector.

The findings from this study will play a critical role in determining whether the state should issue additional cannabis business licenses, how many to approve, and in what regions and categories those licenses should be granted. The decision could affect the growth trajectory of Missouri's already fast-moving marijuana market.

Regulators Seek Data-Driven Insights Into Market Demand and Business Distribution

According to the Missouri Department of Health and Senior Services (DHSS), the study will help state officials better understand market dynamics as they consider expanding cannabis access across Missouri.

The study will offer market forecasts, regional analyses, and demand projections, all of which are essential to ensuring that any expansion is strategic and equitable. The intent is to avoid both oversaturation and underrepresentation of cannabis businesses across various counties and cities.

As part of its contract, Cannabis Public Policy Consulting will also examine whether current licensing has sufficiently addressed consumer demand, access for underserved areas, and the distribution of retail and cultivation operations in rural versus urban areas.

Regulators Already Managing a Mature Market, With More Equity-Focused Licenses Coming

Missouri legalized medical marijuana in 2018 and launched adult-use sales in 2023. Since then, the state has licensed nearly 400 cannabis businesses, spanning cultivation sites, manufacturing facilities, and retail dispensaries, according to reporting from the *Missouri Independent*.

In addition to standard licenses, the DHSS will soon authorize 144 microbusiness licenses aimed at expanding opportunities for social equity applicants and disadvantaged business owners. These microbusiness licenses are designed to give entrepreneurs with limited access to capital a foothold in the cannabis economy.

Notably, the contract stipulates that if the study supports the issuance of more licenses, at least 50% of new licenses must go to microbusiness operators who have already demonstrated one year of successful operations. This policy reinforces the state's commitment to inclusive growth in the cannabis sector.

Report Will Explore Whether Legal Cannabis Is Reaching Communities That Need It Most

Beyond supply and demand, the economic impact study will investigate how the cannabis industry is affecting economically disadvantaged communities across Missouri.

Key focus areas include:

- Whether legal cannabis jobs and businesses are being created in low-income regions
- The tax revenue impact in communities with licensed operators
- The role of microbusinesses in stimulating local economies
- Whether any barriers to entry persist for minority and small-scale operators

This data will be used to refine Missouri's licensing framework and may also guide the implementation of community reinvestment programs, similar to those seen in Illinois and California.

Cannabis Public Policy Consulting Selected From Three Qualified Bidders

The New York-based firm Cannabis Public Policy Consulting was selected for the study after a competitive bid process that included two other companies:

- Capital Consulting Services, a St. Louis-based consultancy
- Whitney Economics, a nationally recognized cannabis economics firm headquartered in Oregon

Cannabis Public Policy Consulting has extensive experience in cannabis research, working with other state governments and private-sector clients to guide cannabis regulations through data science, economic modeling, and public health research. Their win signals Missouri's preference for a highly analytical, evidence-based approach to future policy decisions.

With Over \$1.4 Billion in 2024 Sales, Market Still Shows Room to Grow

In just its second full year of adult-use cannabis sales, Missouri reported \$1.46 billion in combined recreational and medical marijuana revenue in 2024. The state has quickly emerged as a Midwest cannabis leader, attracting out-of-state consumers and encouraging a wave of business expansion.

Despite its impressive revenue figures, state officials recognize that not all regions or demographics have experienced the same level of success or access. That disparity is one reason the new study is so important, it's designed to ensure that growth is sustainable, inclusive, and aligned with demand.

State Seeks to Avoid Oversaturation and Black Market Competition

As seen in other legal cannabis states, issuing too many licenses too quickly can lead to market saturation, price crashes, and increased competition with unregulated sellers. Conversely, overly restrictive licensing can lead to supply shortages, inflated prices, and consumer frustration.

Missouri's move to commission a third-party study reflects a measured approach—aiming to strike a balance between free market expansion and regulatory discipline.

By ensuring that business growth reflects real consumer demand and prioritizes underserved communities, the state hopes to build a cannabis industry that is durable, fair, and economically beneficial over the long term.

With Policy Shifts on the Table, Operators and Investors Await Study Results

The results of the study will likely be published later in 2025. Depending on its findings, Missouri could:

- Open new license application rounds
- Adjust regional quotas for cannabis operators
- Allocate more resources for equity applicants
- Revise tax policy to stimulate investment and reduce illicit market activity

For cannabis entrepreneurs, investors, and community advocates, the coming months will be critical. The study's recommendations may reshape the competitive landscape, inform future legislation, and determine who gets to participate in Missouri's cannabis economy for years to come.

As Missouri's cannabis market enters its next phase, regulators appear committed to data-informed decision-making and inclusive industry development. The newly commissioned study could become a model for other states seeking to expand legal marijuana in a way that balances economic growth with social responsibility.

Email: info@cannabisriskmanager.com | Phone: +415-226-4060

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