

Report Projects Explosive Growth in THC Drinks

THC Infused Beverages Surpass \$1 Billion in Sales, Signaling a Shift in U.S. Drinking Trends

The cannabis industry marked a major milestone in 2024 when U.S. sales of THC-infused beverages surpassed \$1 billion for the first time. According to a new report by Whitney Economics, this achievement is more than just a sales benchmark, it represents a fundamental shift in how consumers are choosing to relax, socialize, and approach wellness. With projections estimating the sector could grow to as much as \$10 billion in the coming years, THC beverages are carving out their place in the mainstream market.

The Convergence of Trends Driving THC Beverage Growth

Several converging forces contributed to the rapid rise of THC drinks. Shifts in consumer behavior, particularly among younger demographics seeking alternatives to alcohol, have created fertile ground for cannabis beverages. Economic headwinds also nudged consumers toward products that deliver both affordability and versatility. At the same time, incremental regulatory changes at the federal and state levels made it easier for manufacturers and retailers to expand into new regions.

Report author Beau Whitney described this confluence as an opening that enabled THC beverages to fill gaps left by declining revenues in traditional alcohol industries, such as beer, wine, and spirits. This crossover appeal highlights how cannabis is not merely competing with alcohol but increasingly acting as a substitute in social and recreational settings.

Market Size and Brand Performance

While the overall numbers are impressive, the report also reveals details about how brands are performing. The majority of THC drink companies averaged around \$2 million in annual sales during 2024, while the top-performing brands cleared \$10 million with relative ease. Currently, the market includes an estimated 750 brands nationwide, with about 200 operating within licensed marijuana shops.

Despite the abundance of competition, THC beverages accounted for only about 1% of the total cannabis market last year. Analysts point out that this low market share, combined with strong consumer interest, suggests enormous room for future growth.

Untapped Potential: A Market Worth \$10 Billion or More

The Whitney Economics report values the total potential U.S. THC beverage market at between \$9.9 billion and \$14.9 billion. This estimate reflects both the expansion of legal access and the growing willingness of mainstream retailers to stock cannabis beverages. Already, large national chains such as Total Wine & Spirits

are carrying THC products, a development that signals increasing normalization.

For multistate cannabis operators, beverages have become a strategic product category. Many companies are diversifying into hemp-derived THC offerings, which often navigate more lenient regulatory pathways compared to marijuana-based products. This flexibility allows operators to test and scale new products while building consumer trust in non-traditional consumption methods.

A Patchwork of State Regulations

Despite momentum, the regulatory environment for THC beverages remains highly fragmented. As of the report's release:

- THC beverages were fully legal in 28 states.
- Another nine states allowed them under strict limitations.
- Seven states restricted sales exclusively to marijuana dispensaries.
- Six states still prohibited THC beverages entirely.

The lack of a unified federal framework leaves state regulators struggling to balance consumer safety with market growth. Labeling, dosing, packaging, and distribution rules vary widely, creating challenges for national brands trying to scale. Nonetheless, experts argue that the steady adoption of THC beverages across diverse regions reflects growing consumer confidence and a path toward eventual standardization.

Cultural Shifts: Redefining Drinking Rituals

Industry leaders emphasize that THC beverages are not simply a new product—they are helping to reshape cultural habits around drinking and socializing. Art Massolo, vice president of business development for Cycling Frog, a prominent THC drinks brand, described the movement as one rooted in control, wellness, and enjoyment.

Unlike alcohol, which is often associated with hangovers and negative health effects, cannabis drinks offer a different kind of experience. With carefully measured dosages, consumers can enjoy a predictable, moderate high that lends itself to relaxation and sociability without the downsides of heavy drinking. For many, this makes THC beverages a natural fit for wellness-oriented lifestyles.

Early Innings of a Major Growth Story

Although THC beverages have crossed the \$1 billion sales threshold, the industry is still in its infancy. With rising consumer demand, increased mainstream retail adoption, and expanding state-level legalization, the category appears poised for exponential growth. At the same time, the challenges of inconsistent regulation and consumer education will shape how quickly the market matures.

What is clear, however, is that cannabis drinks are no longer a novelty. They represent a growing segment that bridges the gap between cannabis culture and mainstream consumption habits, offering a glimpse of how the future of social drinking may evolve. As more consumers seek alternatives to alcohol, THC beverages are well positioned to redefine what it means to raise a glass.

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