

# US Cannabis Industry Sees Decline in Business Licenses in Q1 2024

The cannabis industry in the United States saw a continued decrease in active business licenses in the early months of 2024, according to data from CRB Monitor, a firm specializing in monitoring licenses within the regulated marijuana sector.

## Persistent Decline in Active Licenses

Total active licenses, encompassing both medical and recreational marijuana markets, declined by 6% from the fourth quarter of 2023 and by 10% from the first quarter of the previous year. This marks the fifth consecutive quarter of declines, following a trend that began in 2022.

## Factors Contributing to Declines

Several factors have contributed to the decline in active licenses:

- Slowdown in the opening of new markets.
- Delays in issuing licenses in newly established markets.
- Significant exits from mature markets like California and Colorado.
- Implementation of moratoriums on issuing new licenses in states such as Oklahoma and Oregon.

## Projections Amid Declines

Despite the decrease in active licenses, the regulated adult-use and medical marijuana markets in the U.S. are expected to see significant growth. The latest MJBiz Factbook projects total sales to reach \$32.1 billion in 2024 and surge to \$58 billion by 2030.

## Impact on Cultivation Licenses

Among various license categories, cultivation experienced the most substantial decline in active licenses. The number of cannabis cultivators dropped by nearly 8% between the fourth quarter of 2023 and the first quarter of 2024.

## Retail Licenses and Vertical Integration

Retail licenses also saw a decline of 2% during the same period. However, the number of vertically integrated licenses, the only category to experience growth, increased by 1.4%.

## State-wise Breakdown

- Oklahoma witnessed a significant decrease of 2,044 active licenses.
- California, despite a 4% drop from the last quarter, maintains the highest number of active cannabis licenses with 9,433.

- New Mexico's recreational marijuana market showed expansion, adding 307 licenses in the first quarter of 2024.

### **Outlook for Pending Licenses**

While approved and pending licenses increased by 1% for the quarter, totaling 4,719 permits nationwide, the number of pending approvals declined by 64%, with 1,907 applications awaiting approval by the end of March.

### **Pre-Licensing Activities in Certain States**

New York and Washington, D.C., are poised to add more than 600 new licenses on the East Coast, indicating continued growth opportunities in specific regions.

As the cannabis industry navigates through licensing challenges, projections suggest resilience and continued expansion, albeit with shifts in regulatory landscapes across states.

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