



A Preliminary Assessment of U.S. Cannabinoid Market Growth (2023 – 2025)

Beau Whitney, Chief Economist

March 9, 2026

Contents

- Disclaimer2
- Key Findings.....2
- Executive Summary3
- Objective.....4
- Introduction.....4
- Background on hemp-derived consumer products retail revenue projections.....6
- Methodology7
- Summary of data from five state analysis in 20258
- Extrapolating the U.S. hemp-derived cannabinoid TAM for 2025..... 10
- The Results: The 2025 TAM for hemp-derived consumer products..... 11
- Employment impact of U.S. cannabinoid sector 12
- Conclusion 13
- Appendix: About the Author / Statement of Conflicts..... 14
- Appendix: Florida retail estimates (Data used to determine Florida Growth Rate) 15
- Appendix: Total Addressable Market Demand Forecast (2023) 16
- Appendix: Total Addressable Market Demand Forecast – 1.32x (2025)..... 17
- Appendix: Total Addressable Market Demand Forecast – 1.79x (2025)..... 18



Disclaimer

Whitney Economics does not take a position on the legalization of cannabis nor does it take positions on proposed legislation; however, it does derive revenue from cannabis and hemp related companies and stakeholders. The views, opinions, and positions expressed in this paper are those of its author Beau Whitney, and do not necessarily reflect the views, opinions, or official positions of any of our affiliated organizations, groups or clients.

Key Findings

- The 2018 Farm Bill opened up the U.S. market for hemp-derived consumer products.
- A 2023 national assessment, based on business surveys, concluded that the total addressable market for hemp-derived consumer products was \$28.4 billion at its midpoint.
- Despite a shifting state and federal political policy landscape, the U.S. hemp-derived market has continued to expand.
- Requests from state and congressional legislators, media and hemp operators to provide a 2025 market estimate resulted in Whitney Economics performing a series of state-based assessments as well as this preliminary assessment of the total U.S. market.
- **Detailed analysis of five states in 2025 indicates that average revenue per store, total revenue, employment and business creation have all increased over the two-year period.**
 - Average revenue per store increased from \$669,318 to \$885,866 per year, an increase of **32%**.
 - Total revenue in the five states increased from \$11.1 billion to \$20.0 billion, an increase of **79%**.
 - Hemp related retail businesses increased **36%** from 16,669 to 22,590 based on hemp permit and licensing data.
 - The five states assessed in 2025, represented over 39% of the total 2023 revenue and can serve as a reasonable basis for use in the 2025 national projections.
- **Applying those growth rates to the broader market would indicate that the U.S. hemp-derived consumer product market has increased between 32% and 79% since 2023.**
 - National estimates based on the average per store revenue growth place the U.S. hemp-derived consumer product market at between \$37.5 billion and \$50.9 billion (Baseline).
 - Estimates based on per capita usage range from \$47.3 billion and \$64.1 billion (Upper bound).
- **Preliminary analysis concludes that the hemp-cannabinoid market growth has accelerated considerably since 2023 and have growth to between \$47.3 billion and \$64.1 billion using extrapolations from growth from five states (Upper bound).**
- Based on these updated revenue estimates, the number of potential jobs associated with the baseline TAM of \$37.5 billion would be 375,000 jobs at the midpoint and 473,000 jobs at the upper bound. However, further investigation in the area is strongly recommended to determine the employment impacts on individual states.
- It was evident in 2023 and again in 2025 that the hemp-derived consumer product sector represents significant employment potential for states that allow it.
- **Federal policy will have an influence on the future of the cannabinoid industry.**



Executive Summary

The U.S. hemp-derived consumer products market really came into its own after the passage of the 2018 U.S. Farm Bill. The 2018 legislation decoupled hemp, and products derived from hemp, away from marijuana. The removal of hemp from the Controlled Substances Act schedule enabled hemp-derived products to be developed and deployed in the marketplace, allowed for interstate commerce and the development of a national integrated supply chain. This resulted in a large influx of farmers, product manufacturers and retailers into the market. Initially thought of as a niche market, the hemp-derived consumer product market blossomed into a major market.

After deploying a series of national surveys to hemp operators and publishing market reports beginning in 2019, Whitney Economics focused its analysis on the hemp-derived consumer product sector to establish a baseline on the value of the total addressable market for hemp products and to assess the economic impact the industry was having on the U.S. economy. A 2023 report estimating the U.S. hemp-derived cannabinoid market determined the U.S. consumer products market was conservatively estimated to be a \$28.4 billion industry, employing 328,000 workers, generating over \$13.1 billion in wages. This foundational 2023 report has become the standard used by operators, investors and legislators to assess the market.

Over the course of the last two years, despite a shifting political, regulatory and legislative landscape, the consumer products market has continued to grow. Although no national refresh was performed on the size of the market, a series of state economic impact reports were published, including reports on the hemp-derived consumer product markets in Florida, Texas, Illinois, North Carolina and Tennessee. These five states represented over 39% of the total U.S. market. Not only did these reports affirm the baseline, they showed that these state markets were growing.

Detailed analysis of the five states in 2025 indicates that average revenue per store, total revenue, employment and business creation have all increased over the two-year period from 2023 to 2025.

- Average revenue per store increased from \$669,318 per store to \$885,866 per year, an increase of 32%.
- Total revenue in the five states increased from \$11.1 billion to \$20.0 billion, an increase of 79%.
- Hemp related retail businesses increased 36% from 16,669 to 22,590 based on hemp permit and licensing data.

With the changes in hemp policy nationally, inquiries about how the hemp market in 2025 compares to the market in 2023 have been frequent. Although a comprehensive national survey-based investigation would provide a more granular dataset for a state-by-state comparison, a preliminary assessment extrapolating the national market growth based on the results was performed for expedience. Given the sense of urgency related to the national hemp policy discussions, a preliminary assessment of the total addressable was justified as it will give policy makers a basis of comparison on growth since 2023.

The preliminary assessment examined the growth rates of five states from an average retail revenue perspective as well as a total revenue perspective and then applied those growth rates evenly to all 50 of the state estimates from 2023.



Applying those growth rates to the broader market would indicate that the U.S. hemp-derived consumer product market has increased between 32% and 79% since 2023.

- National estimates based on the average per store revenue growth place the U.S. hemp-derived consumer product market at between \$37.5 billion and \$50.9 billion (Baseline).
- Estimates based on per capita usage range from \$47.3 billion and \$64.1 billion (Upper bound).

This preliminary analysis concludes that the hemp-cannabinoid market growth has accelerated considerably since 2023 and have growth to between \$47.3 billion and \$64.1 billion using extrapolations from growth from five states (Upper bound).

While each states revenues will vary based on the level of restrictions each state has implemented since 2023, the market growth is undeniable. Whitney Economics recommends the deployment of a national survey in order to refine each states market size estimates. However, even with this preliminary assessment, the data shows that when consumers are given access to these products, the hemp-derived consumer products sector drives significant economic activity.

Objective

The objective of this report is to conduct a preliminary analysis of the 2025 U.S. hemp-derived consumer retail market and to determine if the total U.S. market has increased, decreased or stayed the same since 2023. The objective is also to provide estimates of the size of the U.S. hemp-derived consumer product sector in 2025.

Introduction

A Year in Review

The hemp industry experienced a great deal of tumult over the course of 2025.

Entering into the year, hemp cultivation was on the upswing. Farmers were developing an interest in planting more acreage, biomass prices (used in the cannabinoid extraction process) had stabilized and were rising, hemp-derived consumer product sales were strong supporting a \$28.4b - \$35.0b retail market along with its 328,000 jobs. States were generating good tax revenues from the sales taxes associated with the retail sales of hemp-derived products, and a mostly hemp-based beverage market was accelerating its ramp while amassing between \$1.0 billion and \$1.3 billion in U.S. sales. There was a great deal of optimism in every hemp sector. The lack of federal regulatory guidance and state interventions did generate uncertainty, but for the most part, the industry outlook was quite positive throughout the year. However, the sentiment of the industry took a turn almost overnight as the year ended with the passage of a federal appropriations bill that fundamentally changed the way hemp is defined and productized. This change has the potential to dismantle the entire hemp-derive consumer product industry, eliminate 328,000 jobs and increases the level of uncertainty across all sectors of the hemp industry, including fiber and grain.

2025 Hemp Policy

Despite Growth and Opportunity, Industry Requesting Reforms

Despite the growth and successes experienced from 2019 – 2024, hemp advocates fully understood that several reforms were necessary. For instance, a common critique about the hemp-derived industry, was the perception



related to poor quality. Hemp trade associations highlighted this concern as well, requesting states to adopt standards for testing and labeling as a means to address potential public safety issues. **“Good actors” were requesting these reforms at both the state and federal levels to address the potential impact that “bad actors” could have on the hemp consumers and also to address the impacts that “bad actors” were having on the industry’s image.**

Reform, but do not Recriminalize

Industry leaders have long asked for reasonable legislation while many state legislatures took steps to recriminalize hemp products. Reasonable reform meant to address public safety and educational concerns, such as standardization of labeling, truth in labeling, robust testing and age gating were frequently recommended by the industry as an intermediary step, however, few states actually took the necessary steps to pass such reform. While some states did actually make incremental reform, most did not. **Given the positive trajectory, hemp operators would gladly exchange reasonable reform for the opportunity to remain in the market.**

State Legislatures Choose Between Two Divergent Paths: Do Nothing vs. Ban Everything

For some reason, most state legislatures took two approaches; either to recriminalize hemp and regulate hemp cannabinoids like a schedule 1 drug (like marijuana), or to do nothing at all and wait for federal direction. The lack of legislative action resulted in the perpetuation of providing access to potentially unsafe products and enabling access to intoxicating cannabinoids by consumers under the age of 21. The recriminalization simply pushed consumers into online or adjacent state markets. This is evidenced by the lack of growth of marijuana sales once hemp bans were implemented. **The struggle by many policy makers was how to balance public safety with the support and growth of such a nascent industry.**

The Year Ended with the Passage of Bill in the U.S. Congress That Turned Hemp Upside Down

In November 2025, the U.S. was mired in a government lockdown. An appropriations bill was passed to end the shutdown. While most of the discussion related to the shutdown was centered around extending medical subsidies, language was also inserted into the bill that would fundamentally impact the entire U.S. hemp industry. The provisions in the bill made three major federal policy changes related to hemp:

- 1) The bill changed the legal definition of hemp to 0.3% ***Total*** THC. In the previous definition, THC content was only measured related to THC Delta-9 by dry weight. The change in definition is much tighter than the previous definition and put many farmers at risk of not being able to bring crops to market.
- 2) The bill also placed limits on the amount of total THC in consumer goods. The limit was set at 0.4mg of THC per container. At this limit it effectively makes illegal an estimated 95% of all consumer products derived from hemp.
- 3) The bill also set limits on the percentage of hemp that goes into intermediary products. This impacts the ability to convert hemp-derived cannabinoids such as CBD into THC. Without having base materials to work with, the ability to bring even non-intoxicating products to market is in question.

The enactment of the bill was set for one year after being signed into law, however the impacts on the entire hemp industry are already being felt.

What are the Impacts of this New Legislation?

The impacts of this new law are still being determined. Hemp advocates are attempting to educate legislators on the industry in order to help them understand the size of the industry, how extensive the industry reach already



is and how profoundly this changes the business environment throughout the entire value chain. While the perception is that there is an entire year to figure this all out, states are already enacting laws to align with the federal laws. Farmers are reluctant to plant hemp or to put it in their rotation due to the uncertainty about if the crop will remain legal by the time it is harvested. Without farmers planting, the availability of raw material feedstock is in question for processors and manufacturers. Investors are pulling back on providing financing to farmers, processors and even ancillary businesses due to the increased uncertainty and risk. While this was assumed to be focused on cannabinoid hemp, the impacts are also being felt in traditional fiber and grain markets. Investment into desperately needed infrastructural development is now on pause. Even banks are reevaluating their hemp accounts.

What was all once considered a bright future for hemp at the beginning of the year is now in question as we head into 2026.

Many policy decisions based on 2023 data. Total market value needs refreshing.

Many of the discussions on hemp policy are centered around the 2023 TAM, the \$28.4 billion market and 328,000 jobs at risk. However, the market has continued to evolve rapidly over the past two years. While policy has not evolved, the market has accelerated its growth. **This report performs a preliminary assessment of where the market is today so that policy makers understand the true scope and implications of their policy decisions.**

Background on hemp-derived consumer products retail revenue projections.

In 2023, Whitney Economics conducted a national survey of hemp operators throughout the U.S. It received responses from operators in 45 states and was considered the first of its kind report detailing the economic impact that the hemp derived consumer products industry was having on the U.S. economy. The report, “The Whitney Economics 2023 National Cannabinoid Report¹” was published in October 2023.

At the time of its publication, the results were surprising. Prior to the 2023 report, most felt the entire hemp-derived cannabinoid market was a \$2.5 billion market, however, based on data directly from businesses operating in this space, the Total Addressable Market (TAM) for hemp-derived consumer products was estimated to be within a range of \$21.1 billion to \$35.8 billion, with a midpoint of \$28.4 billion. Of the \$28.4 billion, over \$21 billion was retail sales conducted in states that allowed hemp-derived cannabinoid sales, leaving the additional \$7.1 billion coming from states that prohibited sales or came from grey market or online sales. Despite the fact that the TAM was significantly larger than previous estimates, because of the level of rigor that went into the analysis, the \$28.4 billion estimate soon became the standard market size estimate for the industry. This estimate has also been used by congress in their policy making discussion.

It is notable, that the \$28.4 billion estimate of the U.S. hemp consumer product sector was considered conservative at the time. The 2023 estimates did not incorporate demand from convenience stores and gas

¹ The Whitney Economics 2023 National Cannabinoid Report – Whitney, Wilberding, October 2023
www.whitneyeconomics.com/reports



stations. It was a summary of the known retailers from smoke shops, CBD stores and wellness centers in the U.S. Since that time, rules and regulations related to the sale of hemp-derived cannabinoids have gotten stricter. More states are requiring a permit or license to sell hemp-derived products. As a result, it is much easier to assess the hemp-derived retail sector today than it was in 2023.

Recent reports published on the hemp-derived consumer product markets in individual states have indicated that the U.S. hemp-derived product market may actually be larger than what was estimated in 2023. For example, a recent report² on the Florida market estimated the retail sales, based on permitted businesses, were \$11.3 billion in 2025, versus the \$7.5 billion in 2023. A 2025 Texas report³ indicated that the market had grown from \$1.5 billion in 2023 to \$4.3 billion in 2025. Data from multiple states in 2025 have shown that not only did the number of businesses increase, the average revenue per store did also. There have been a series of requests to refresh state market data as well as to perform a national update in order determine if the market has changed since the initial 2023 report. The data contained in this report will provide a preliminary update to the 2025 TAM forecast and to determine if a more comprehensive national assessment is warranted.

Methodology

The methodology to estimate the 2025 TAM builds off of the results from the previous 2023 report. It takes the 2023 estimated TAM and then multiplies each state by the average growth rate experienced by five states that were assessed in 2025. The states that contributed to the average rate are a mix of large population states and smaller ones. They are Florida, Texas, North Carolina, Illinois and Tennessee. The average growth rate from all five states combined from 2023 to 2025 was 79% from a total revenue perspective and 32% from an average revenue per outlet. The number of permitted retail outlets increased from 16,670 to 22,590 (36%) over the same two-year period.

Strengths and weaknesses of this analysis.

There are some strengths and weaknesses of this analysis. For example, not all states are alike. We do not claim that this growth rate is the same for all states, but can serve as a basis for further investigation. For perspective, in terms of market share, from the 2023 analysis, these same five states make up roughly 39.2% of the \$28.4 billion market. If the market did not grow, these very same five states would make up 70.4% of the total market. **Clearly this would indicate that some growth has occurred.** In this report, we attempted to calculate what the total potential would be (all else equal) and then, at a later date, refine the analysis via a national survey of hemp operators in 2026.

Legal status has changed since 2023.

Another aspect related to this methodology is that during the period from 2023 to 2025, the legal status of hemp in states has evolved. Some states implemented restrictions or prohibitions, while others remained open.

² FLORIDA HEMP INDUSTRY ECONOMIC IMPACT REPORT - *Source: Florida Department of Agriculture and Consumer Services (FDACS) – data as of February 4, 2026*

³ Hemp Derived Cannabinoids in the Lone Star State – An Economic Impact Analysis of the Hemp Cannabinoid Industry in Texas (March, 2025)



This would have a significant effect on individual states, but may or may not impact the growth of the overall market from a consumer perspective. In the 2023 analysis, the demand was bifurcated by legal, restricted and prohibited. In this analysis, the market was examined regardless of legality. Doing so would only change the percentage sold legally versus the percentage sold in prohibited states, in grey markets or online.

Consumer preferences have shifted.

Another factor impacting the growth of the hemp-derived cannabinoid market is consumer behavior. In the analysis performed in 2025, there was a significant shift in revenues from derivative products like Delta-8, Delta-10 and HHC, in favor of THCA flower. This could have contributed to the increase in total revenues and revenues per store. *It was evident in the state analysis, that the market has shifted to flower and was a significant source of revenues throughout the value chain*⁴.

Summary of data from five state analysis in 2025

This section will provide data from each of the five states and how the markets have changed since the original analysis in 2023.

Florida

Given the size and nature of the Florida market, there have been multiple analysis performed on the economic impact that hemp-derived consumer products are having on the state. This is a market under heavy scrutiny given the political and business dynamics between the medical cannabis industry and the hemp-derived industry. While both markets have grown significantly, the Florida hemp market has continued to perform well, despite the fact that there have been more controls placed on the hemp market there. Average revenues were the main driver of the growth in 2025.

Florida	Retailers	Ave revenue per store	Total retail
2023	9,558	\$789,519	\$7,546,222,602
2025	9,438	\$1,200,000	\$11,325,600,000
Percent Change	99%	152%	150%

Source: Whitney Economics (2023),

Source: Florida Department of Agriculture and Consumer Services (FDACS) (2026)

Texas

Texas has been the center of political debates related to access of cannabinoids in the absence of an adult-use or medical program. Several legislative bills to ban or severely restrict access have prompted a series of analysis by the hemp industry there⁵. Veteran’s groups and other consumer groups who would be impacted by these

⁴ HEMP DERIVED CANNABINOIDS IN THE VOLUNTEER STATE JULY 2025 - A Revisit of the Economic Impact Analysis of Cannabinoid Retail in Tennessee (Whitney, July 2025)

⁵ HEMP DERIVED CANNABINOIDS IN THE LONE STAR STATE JULY 2023 - An Economic Impact Analysis of Cannabinoid Retail in Texas.

HEMP DERIVED CANNABINOIDS IN THE LONE STAR STATE MARCH 2025 - An Economic Impact Analysis of the Hemp Cannabinoid Industry in Texas



proposed bans have remained very vocal. The growth in Texas was driven by an expansion in the number of permitted retailers and an increase in the average revenue per retailer both of which increased approximately 170% over the two-year period. Overall market revenues increased nearly 300%.

Texas	Retailers	Ave revenue per store	Total retail
2023	4,468	\$325,579	\$1,454,686,972
2025	7,550	\$567,226	\$4,282,555,168
Percent Change	169%	174%	294%

Source: Whitney Economics (2023 and 2025)

Illinois

The Illinois hemp-derived products market has been a major hub for the distribution of cannabinoids in the region. While the state’s retail opportunity has been flat, the average revenues have remained strong. Illinois hemp-derived product retailers have benefitted from the state’s excessive marijuana tax which is one of the highest in the country. It is notable that the hemp market in Illinois has been expanding rapidly, particularly in the hemp-derived THC beverage market. Bars and restaurants were not captured in the 2023 and 2025 analysis, so the growth rates in Illinois are muted. It is estimated that hemp-beverages would add an additional \$128 million to this retail total.

Illinois	Retailers	Ave revenue per store	Total retail
2023	1,024	\$815,720	\$835,297,280
2025	1,000	\$858,342	\$858,342,000
Percent Change	98%	105%	103%

Source: Whitney Economics (2023 and 2025)⁶

Tennessee

The Tennessee hemp-derived cannabinoid market has traditionally been a strong market as hemp has had a long history in the state. The market has expanded significantly since 2023. This rapid expansion has occurred via the permitting and licensing of retail establishments including bars and restaurants. The decline in average revenue per store was more than offset by the significant increase in the number of stores selling hemp-derived products. Another aspect of the Tennessee market that has led to the increase in sales is the shift away from psychoactive THC derivatives like Delta-8, Delta-10 and HHC in favor of THCA flower. It is an example of how the permitting and regulating of businesses that sell hemp-derived consumer products can lead to significant economic growth and employment.

⁶ HEMP DERIVED CANNABINOIDS IN THE PRAIRIE STATE APRIL 2025 - An Economic Impact Analysis of Cannabinoid Retail in Illinois



Tennessee	Retailers	Ave revenue per store	Total retail
2023	688	\$815,720	\$561,215,360
2025	2,405	\$705,367	\$1,696,407,635
Percent Change	350%	86%	302%

Source: Whitney Economics (2023 and 2025)⁷

North Carolina

A recent analysis of the North Carolina market was conducted in 2026⁸ during the recent legislative session. North Carolina has made a concerted effort to support the hemp-derived consumer product market and has developed policies that are favorable to the industry (Low taxes, low barriers to entry). As a result, the entire value chain has benefitted and companies have begun relocating to North Carolina from Florida and as far away as Oregon. This has led to strong economic growth and a doubling of the market.

North Carolina	Retailers	Ave revenue per store	Total retail
2023	931	\$815,720	\$759,435,320
2025	2,197	\$841,517	\$1,848,812,117
Percent Change	236%	103%	243%

Source: Whitney Economics (2023 and 2025)

Summary of the five states

In sum, each state has grown for different reasons and this growth has been experienced in different parts of the country. The overall revenues have increased since 2023. Most of the states have increased the number of retailers and the average revenues. Given these states contributed a large percentage of the overall 2023 revenue numbers (39.2%), they were used to estimate the size of the U.S. market in 2025. In order to extrapolate to the broader market, the results of these five states have been combined into a block of demand and to examine the growth rate of this overall block.

Five State Summary	Retailers	Ave revenue per store	Total retail Revenues
2023	16,669	\$669,318	\$11,156,857,534
2025	22,590	\$885,866	\$20,011,716,919
Percent Change	136%	132%	179%

Extrapolating the U.S. hemp-derived cannabinoid TAM for 2025.

Given the five states that were researched in 2025 make up such a large percentage (39.2%) of the U.S. hemp-derived consumer product industry, Whitney Economics used this as a preliminary basis to estimate the total U.S. hemp-derived consumer product sector. In doing so, two strategies were implemented. The first, was to

⁷ HEMP DERIVED CANNABINOIDS IN THE VOLUNTEER STATE JULY 2025 - A Revisit of the Economic Impact Analysis of Cannabinoid Retail in Tennessee

⁸ HEMP DERIVED CANNABINOIDS IN THE TAR HEEL STATE JANUARY 2026 - An Economic Impact Analysis of the Hemp Cannabinoid Industry in North Carolina



make projections based on growth rate of the average revenue per store. This is considered the lower estimate of the two. The second strategy was to use the growth rate of the overall revenues from the five states and apply it to the broader market. This is considered a more aggressive estimate, and thus the upper bound. We chose not to take a third approach based on the growth rate of the number of retail stores as there are too many differences in how stores are permitted in each state.

What factor was used to project to the broader market?

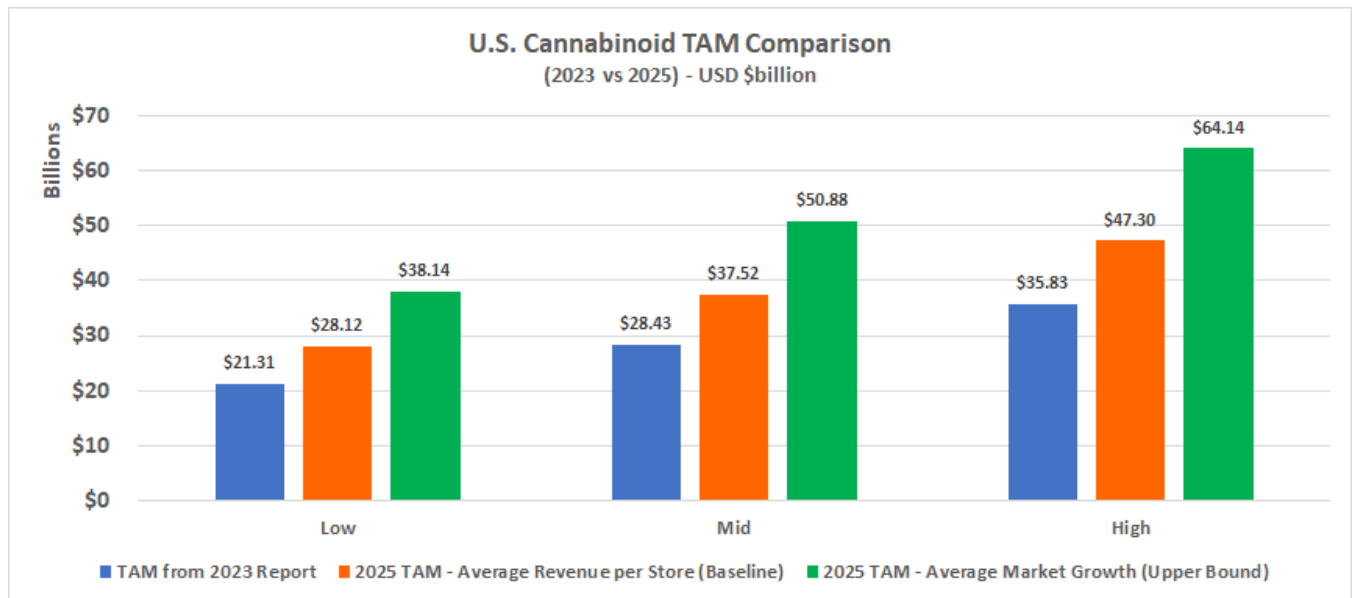
Whitney Economics applied the two approaches to the broader market one that served as a baseline and one that serves as the upper bound.

Baseline – Average Revenue per Store Growth Rate (1.32x) – Since the revenues per store increased in nearly all of the five representative states, we assumed that this revenue growth was reflective of the broader market. Increased consumer interest, greater consumer awareness and an economic incentive by retailers increase sales are common traits throughout the U.S. hemp-derived consumer product market. Since the 2023 numbers were tied to average sales per store, this is a logical approach and is considered a baseline.

Upper Bound – Average Market Growth Rate (1.79x) – Given the overall sales growth experienced in every market surveyed in 2025, the more aggressive approach was to apply the market growth rates (1.79x) to every other state market. This is considered the upper bound.

The Results: The 2025 TAM for hemp-derived consumer products.

The results from these two approaches are listed in the chart below. Taking the 2023 TAM and multiplying it by 1.32x or 1.79x generated significant increases to the 2023 projections, but are affirmed by both suppliers and retailers from the hemp industry.





Base line results: The range of total U.S. revenues in 2025 was \$28.4 billion to \$50.9 billion with a midpoint of \$37.5 billion. This midpoint is slightly higher than the upper bound from 2023. This makes sense given the acceleration in the consumer market demand.

Upper bound results: The range of total U.S. revenues in 2025 was \$35.8 billion to \$64.1 billion with a midpoint of \$47.3 billion. This midpoint is in line with the expectations of industry experts and the experiences of the operators themselves.

The multiplier effect shows hemp-derived consumer products contribute significantly to the U.S. economy.

In economics, there is a concept called the multiplier effect. It tries to measure the amount of economic value in an economy derived off of each dollar of activity. The concept is that when a dollar is spent in an economy, it creates a ripple effect and additional spending occurs. Different activities have different levels of multiples. For hemp, the multiplier is 2.4x. Based on the increase in retail spending on hemp-derived consumer products, there is a total economic impact of between \$91.5 billion and \$153.9 billion on the upper bound. This demonstrates the impact the industry could have on the overall U.S. economy.

TAM Revenue Estimates	Low	Mid	High
TAM from 2023 Report	\$21,306,596,155	\$28,425,525,322	\$35,831,748,581
2025 TAM - Average Revenue per Store (Baseline)	\$28,124,706,925	\$37,521,693,425	\$47,297,908,127
2025 TAM - Average Market Growth (Upper Bound)	\$38,138,807,118	\$50,881,690,327	\$64,138,829,960

Multiplier (2.4x)	Low	Mid	High
TAM from 2023 Report	\$51,135,830,772	\$68,221,260,773	\$85,996,196,594
2025 TAM - Average Revenue per Store (Baseline)	\$67,499,296,619	\$90,052,064,221	\$113,514,979,505
2025 TAM - Average Market Growth (Upper Bound)	\$91,533,137,082	\$122,116,056,784	\$153,933,191,904

Employment impact of U.S. cannabinoid sector

In the 2023 U.S. National Cannabinoid report, the number of employees associated with the \$28.4 billion retail sector was slightly over 328,000 workers, earning \$13.2 billion in wages. This is an average of one job per \$86,403 in revenue. In this analysis, we assumed that more efficiencies have been driven into the market since 2023. We therefore estimated the potential employment impacts based on \$100,000 in revenue per job. **Based on this analysis, the number of potential jobs associated with the baseline TAM of \$37.5 billion would be 375,000 jobs at the midpoint and 473,000 jobs at the upper bound.**

Employment Estimates need further investigation

Given the dynamic nature of the hemp-derived consumer product sector, particularly from a regulator and legislative perspective, not all states will benefit from the level of employment potential as other states will. It will depend upon the level of prohibition present in each state. As a result, Whitney Economics strongly recommends further analysis in the area of hemp-derived consumer product employment. It was evident in 2023 and again in 2025 that the hemp-derived consumer product sector represents significant employment potential for states that allow it.



Growth rates are significant: Further assessment recommended.

The growth rates from 2023 to 2025 are significant, but each market will have different results based on whether or not a state permits or prohibits the sale of hemp-based consumer products. The consumer demand is there; it is more whether or not the demand can legally be met. In order to assess the U.S. market more accurately, a more comprehensive investigation is recommended. This future investigation could then include not only total revenue projections, but also jobs, wages, taxes and other key economic indicators. Surveys of operators in all 50 states must be conducted and then adjustments to each state market projection can be made. Given that this is simply the initial assessment of the 2025 market, ***further national research to survey all 50 states is recommended in order to provide a more refined projection, however the size, trajectory and influence of the hemp-derived consumer products cannot be denied.***

The future of hemp-derived consumer products: Policy decisions now will shape the industry for the future.

The future of hemp-derived consumer products will be determined based on how the federal policies unfold in 2026. The projections of the 2025 market were based on the market prior to the passage of the legislation in November that redefined the hemp industry. If policies remain in place that severely restrict the market, the value of hemp-derived consumer potential will decline significantly. If modifications to these laws are enacted and more favorable policies are implemented, this level of economic activity could be supported. The U.S. market is at a crossroad.

Conclusion

The U.S. hemp cannabinoid market has evolved since the 2018 U.S. Farm Bill and the growth rates have continued to accelerate. Given the momentum in the market heading into 2023, the growth rates from 2023 to 2025 were not unexpected. Each states legal revenues may vary from these estimates based on the level of restrictions each state has implemented since 2023. However, with the growth rates averaging between 32% and 79% in five states that in 2023 had comprised over 39% of the U.S. market, the conclusion that the market is growing is undeniable.

This preliminary assessment was meant to provide a broad range of values for the 2025 market. Whitney Economics recommends that a more comprehensive investigation, including a national survey, be performed. This future investigation could then provide data not only about the state's total revenue projections, but also jobs, wages, taxes and other key economic indicators. Surveys of operators in all 50 states should be conducted in order to refine the economic impact hemp-derived consumer product sales are having on each economy.

Based on this assessment, though, and similar to the 2023 results, the hemp-derived consumer product market continues to be a major contributor to the U.S. economy. The data shows that when consumers are given access to these products, the hemp-derived consumer products sector drives significant economic activity.

Beau Whitney
Whitney Economics
503-724-3084



Appendix: About the Author / Statement of Conflicts

Beau Whitney, Cannabis Economics, Operations and Supply Chain Expert

Beau Whitney is the founder and Chief Economist at Whitney Economics, a global leader in cannabis and hemp business consulting, data, and economic research. Whitney Economics is based in Portland, Oregon.

Serving an international clientele, Beau is considered one of the leading cannabis economists in the U.S. and globally. His applications of economic principles to create actionable operational and policy recommendations has been recognized by governments, and throughout the economic, investment, and business communities. In 2022, Beau presented data and insights about cannabis and hemp economics at the United Nations.

His white papers analyzing the adult-use, medical and industrial cannabis markets have been referenced in the Wall Street Journal, Washington Post, New York Times, USA Today, the Associated Press, as well as in leading cannabis industry publications.

Beau Whitney is a member of the American Economic Association, the Oregon chapter president of the National Association for Business Economics, is a member of multiple regulatory advisory committees throughout the U.S. and participates on the Oregon Governor's Council of Economic Advisors.

Beau has provided policy recommendations at the state, national and international levels and is considered an authority on cannabis economics and the supply chain. Whitney Economics does not take a position on the issue of cannabis legalization or on pending legislation.

Statement Of Conflicts

Whitney Economics does not take a position on this issue of cannabis legalization, however there are potential conflicts while presenting economic and market analysis.

- Whitney Economics receives compensation for business and economic analysis of the cannabis industry.
- Mr. Whitney has previously held positions and licenses within the legal regulated cannabis industry.
- Mr. Whitney is a director for the Cannabis Advisory Group (CAG) in New Jersey, a non-profit policy think tank.
- Whitney Economics is a member of the European Industrial Hemp Association (EIHA).
- Beau Whitney is serving a volunteer role as the Chief Economist for the Federation of Industrial Hemp Organizations (FIHO).
- Mr. Whitney is a founder of Every Day Hemp Company, an Oregon-based manufacturer of hemp based plastic products.



Appendix: Florida retail estimates (Data used to determine Florida Growth Rate)

FLORIDA HEMP INDUSTRY ECONOMIC IMPACT REPORT - Source: Florida Department of Agriculture and Consumer Services (FDACS) – data as of February 4, 2026

This is a snapshot of a report that was used in this analysis. With the TAM data in this report from 2026, Whitney Economics was able to compare it to the data from our 2023 report. The percentage change was then examined to determine if the market has changed materially in Florida since 2023 and by how much.

FLORIDA HEMP INDUSTRY ECONOMIC IMPACT REPORT

Data as of February 2026 | Report Generated: February 4, 2026

Source: Florida Department of Agriculture and Consumer Services (FDACS)

Metric	Value	Notes
Total Licensed Hemp Businesses	10,571	Active FDACS licenses as of April 2025
Hemp Farms (2024-2025)	431	Most recent data (April 2024 - April 2025)
Retail Establishments (2018)	9,430	Last comprehensive FDACS report
Processing Facilities (2018)	337	Manufacturing and value-added processing
Wholesale Operations (2018)	355	Distribution and B2B operations
Extraction Facilities (2018)	18	Specialized CBD/hemp extraction
ECONOMIC IMPACT		
Total Jobs Created	74,638	Direct employment only (not indirect)
Average Wage per Job (est.)	\$42,000	Industry average for retail/processing
Total Annual Payroll	\$3,134,796,000	Annual payroll contribution to economy
Total Annual Revenue	\$16,856,500,000	Combined gross annual revenue
Economic Multiplier Effect	1.5x (conservative)	Additional economic activity generated
TAX REVENUE IMPACT		
Annual Sales Tax Revenue	\$1,011,390,000	6% sales tax on retail transactions
Annual Property Tax Revenue	\$52,855,000	Average property tax per business
Annual Corporate Income Tax	\$139,066,125	5.5% on estimated taxable income
Total Annual Tax Revenue	\$1,203,311,125	Conservative estimate - does not include licensing fees
Tax Revenue Per Business	\$113,831	Average contribution per licensed business
STATEWIDE BENEFITS		
Small Businesses Supported	10,571 (100%)	Predominantly small family-owned businesses
Counties with Hemp Businesses	67	Hemp businesses operate in all major counties
Legislative Districts Impacted	27+	Covers all major legislative districts
Veteran-Owned Businesses (est.)	1,268 (12% est.)	Many operators are military veterans
Minority-Owned Businesses (est.)	3,699 (35% est.)	Diverse ownership across communities



Appendix: Total Addressable Market Demand Forecast (2023)

This is the original TAM from the 2023 report. The Total demand was calculated using three separate methodologies; 1) Low: An average based on inputs from surveys, 2) Mid: A forecast based on the average of sales per retailer using data from state-by-state reports, and 3) High: A forecast based on per capita spending using market data and census population statistics.

State	Legal Status	Forecast based on Survey Reports (Low)	Forecast Average Sales per Business (Mid)	Forecast per Capita (High)
Alabama	N	\$400,800,000	\$272,450,480	\$521,663,067
Alaska	N	\$80,502,585	\$80,502,585	\$80,502,585
Arizona	N	\$83,986,000	\$699,072,040	\$926,607,803
Arkansas	N	\$138,800,000	\$283,054,840	\$320,488,011
California	R	\$1,222,200,000	\$3,560,617,800	\$4,193,119,539
Colorado	N	\$1,517,000,000	\$1,237,447,240	\$623,376,192
Connecticut	R	\$75,243,144	\$238,190,240	\$395,298,822
Delaware	N	\$103,960,380	\$103,960,380	\$103,960,380
District of Columbia	L	\$79,211,957	\$79,211,957	\$79,211,957
Florida	L	\$5,016,809,648	\$1,944,676,480	\$2,637,061,867
Georgia	R	\$219,665,760	\$548,163,840	\$1,141,170,104
Hawaii	R	\$56,235,693	\$92,176,360	\$151,060,196
Idaho	N	\$2,732,400	\$134,593,800	\$186,381,767
Illinois	L	\$453,934,299	\$835,297,280	\$1,392,526,718
Indiana	L	\$220,170,000	\$438,041,640	\$702,799,384
Iowa	N	\$312,551,211	\$312,551,211	\$312,551,211
Kansas	L	\$60,208,333	\$203,930,000	\$309,955,965
Kentucky	L	\$214,600,000	\$301,816,400	\$478,339,600
Louisiana	R	\$65,621,250	\$250,426,040	\$488,879,859
Maine	L	\$5,632,000	\$417,648,640	\$155,157,072
Maryland	R	\$303,513,000	\$364,626,840	\$693,557,180
Massachusetts	L	\$122,600,000	\$500,036,360	\$746,603,234
Michigan	R	\$1,133,243,065	\$1,150,980,920	\$1,133,243,065
Minnesota	R	\$395,913,857	\$294,474,920	\$620,452,569
Mississippi	N	\$40,000,000	\$163,144,000	\$314,958,010
Missouri	L	\$127,200,000	\$691,730,560	\$677,122,464
Montana	N	\$109,057,945	\$109,057,945	\$109,057,945
Nebraska	L	\$36,123,750	\$139,488,120	\$199,763,726
Nevada	N	\$91,500,000	\$447,830,280	\$377,572,286
New Hampshire	L	\$22,400,000	\$182,721,280	\$169,641,329
New Jersey	L	\$48,069,000	\$359,732,520	\$1,004,803,085
New Mexico	L	\$218,309,386	\$362,995,400	\$218,309,386
New York	N	\$1,053,000,000	\$858,953,160	\$2,091,307,920
North Carolina	L	\$941,743,718	\$759,435,320	\$1,133,650,226
North Dakota	N	\$545,400,000	\$44,048,880	\$64,544,189
Ohio	L	\$424,670,400	\$704,782,080	\$1,221,318,323
Oklahoma	L	\$301,510,000	\$2,235,888,520	\$385,412,849
Oregon	N	\$85,310,961	\$912,790,680	\$467,857,626
Pennsylvania	L	\$791,280,000	\$822,245,760	\$1,369,717,685
Rhode Island	N	\$38,817,558	\$63,626,160	\$125,853,647
South Carolina	L	\$208,254,838	\$290,396,320	\$564,738,099
South Dakota	L	\$16,500,000	\$44,864,600	\$91,857,802
Tennessee	L	\$282,662,874	\$561,215,360	\$734,637,611
Texas	L / LP	\$2,025,698,176	\$2,048,272,920	\$3,079,117,892
Utah	N	\$326,339,203	\$326,339,203	\$326,339,203
Vermont	N	\$21,897,084	\$35,891,680	\$76,669,659
Virginia	R	\$568,336,528	\$453,540,320	\$926,416,217
Washington	N	\$313,575,000	\$921,763,600	\$805,843,152
West Virginia	N	\$15,300,000	\$124,805,160	\$199,719,931
Wisconsin	L	\$323,505,150	\$379,309,800	\$641,255,581
Wyoming	L / LP	\$45,000,000	\$36,707,400	\$60,294,591
USA Totals		\$21,306,596,155	\$28,425,525,322	\$35,831,748,581



Appendix: Total Addressable Market Demand Forecast – 1.32x (2025)

The 2025 estimates were based on the estimated average growth rates from 5 states where the cannabinoid market was assessed in 2025. A low and average estimate were calculated and then applied equally to each state from the 2023 report. (2023 TAM x 2025 growth multiplier of 1.32x)

State	Forecast based on Survey Reports (Low)	Forecast Average Sales per Business (Mid)	Forecast per Capita (High)
Alabama	\$529,056,000	\$359,634,634	\$688,595,249
Alaska	\$106,263,413	\$106,263,413	\$106,263,413
Arizona	\$110,861,520	\$922,775,093	\$1,223,122,300
Arkansas	\$183,216,000	\$373,632,389	\$423,044,174
California	\$1,613,304,000	\$4,700,015,496	\$5,534,917,791
Colorado	\$2,002,440,000	\$1,633,430,357	\$822,856,573
Connecticut	\$99,320,950	\$314,411,117	\$521,794,445
Delaware	\$137,227,701	\$137,227,701	\$137,227,701
District of Columbia	\$104,559,784	\$104,559,784	\$104,559,784
Florida	\$6,622,188,735	\$2,566,972,954	\$3,480,921,664
Georgia	\$289,958,803	\$723,576,269	\$1,506,344,538
Hawaii	\$74,231,115	\$121,672,795	\$199,399,459
Idaho	\$3,606,768	\$177,663,816	\$246,023,932
Illinois	\$599,193,275	\$1,102,592,410	\$1,838,135,268
Indiana	\$290,624,400	\$578,214,965	\$927,695,187
Iowa	\$412,567,598	\$412,567,598	\$412,567,598
Kansas	\$79,475,000	\$269,187,600	\$409,141,874
Kentucky	\$283,272,000	\$398,397,648	\$631,408,271
Louisiana	\$86,620,050	\$330,562,373	\$645,321,414
Maine	\$7,434,240	\$551,296,205	\$204,807,335
Maryland	\$400,637,160	\$481,307,429	\$915,495,478
Massachusetts	\$161,832,000	\$660,047,995	\$985,516,268
Michigan	\$1,495,880,846	\$1,519,294,814	\$1,495,880,846
Minnesota	\$522,606,291	\$388,706,894	\$818,997,391
Mississippi	\$52,800,000	\$215,350,080	\$415,744,573
Missouri	\$167,904,000	\$913,084,339	\$893,801,653
Montana	\$143,956,488	\$143,956,488	\$143,956,488
Nebraska	\$47,683,350	\$184,124,318	\$263,688,118
Nevada	\$120,780,000	\$591,135,970	\$498,395,417
New Hampshire	\$29,568,000	\$241,192,090	\$223,926,555
New Jersey	\$63,451,080	\$474,846,926	\$1,326,340,072
New Mexico	\$288,168,389	\$479,153,928	\$288,168,389
New York	\$1,389,960,000	\$1,133,818,171	\$2,760,526,454
North Carolina	\$1,243,101,708	\$1,002,454,622	\$1,496,418,298
North Dakota	\$719,928,000	\$58,144,522	\$85,198,329
Ohio	\$560,564,928	\$930,312,346	\$1,612,140,186
Oklahoma	\$397,993,200	\$2,951,372,846	\$508,744,960
Oregon	\$112,610,469	\$1,204,883,698	\$617,572,067
Pennsylvania	\$1,044,489,600	\$1,085,364,403	\$1,808,027,344
Rhode Island	\$51,239,177	\$83,986,531	\$166,126,814
South Carolina	\$274,896,386	\$383,323,142	\$745,454,291
South Dakota	\$21,780,000	\$59,221,272	\$121,252,298
Tennessee	\$373,114,993	\$740,804,275	\$969,721,646
Texas	\$2,673,921,593	\$2,703,720,254	\$4,064,435,617
Utah	\$430,767,748	\$430,767,748	\$430,767,748
Vermont	\$28,904,151	\$47,377,018	\$101,203,950
Virginia	\$750,204,217	\$598,673,222	\$1,222,869,407
Washington	\$413,919,000	\$1,216,727,952	\$1,063,712,961
West Virginia	\$20,196,000	\$164,742,811	\$263,630,309
Wisconsin	\$427,026,798	\$500,688,936	\$846,457,367
Wyoming	\$59,400,000	\$48,453,768	\$79,588,860
USA Totals	\$28,124,706,925	\$37,521,693,425	\$47,297,908,127



Appendix: Total Addressable Market Demand Forecast – 1.79x (2025)

The 2025 estimates were based on the estimated average growth rates from 5 states where the cannabinoid market was assessed in 2025. A low and average estimate were calculated and then applied equally to each state from the 2023 report. (2023 TAM x 2025 growth multiplier of 1.79x)

State	Forecast based on Survey Reports (Low)	Forecast Average Sales per Business (Mid)	Forecast per Capita (High)
Alabama	\$717,432,000	\$487,686,359	\$933,776,890
Alaska	\$144,099,628	\$144,099,628	\$144,099,628
Arizona	\$150,334,940	\$1,251,338,952	\$1,658,627,967
Arkansas	\$248,452,000	\$506,668,164	\$573,673,540
California	\$2,187,738,000	\$6,373,505,862	\$7,505,683,975
Colorado	\$2,715,430,000	\$2,215,030,560	\$1,115,843,383
Connecticut	\$134,685,228	\$426,360,530	\$707,584,892
Delaware	\$186,089,080	\$186,089,080	\$186,089,080
District of Columbia	\$141,789,404	\$141,789,404	\$141,789,404
Florida	\$8,980,089,270	\$3,480,970,899	\$4,720,340,742
Georgia	\$393,201,710	\$981,213,274	\$2,042,694,487
Hawaii	\$100,661,890	\$164,995,684	\$270,397,751
Idaho	\$4,890,996	\$240,922,902	\$333,623,363
Illinois	\$812,542,396	\$1,495,182,131	\$2,492,622,826
Indiana	\$394,104,300	\$784,094,536	\$1,258,010,898
Iowa	\$559,466,667	\$559,466,667	\$559,466,667
Kansas	\$107,772,917	\$365,034,700	\$554,821,177
Kentucky	\$384,134,000	\$540,251,356	\$856,227,883
Louisiana	\$117,462,038	\$448,262,612	\$875,094,948
Maine	\$10,081,280	\$747,591,066	\$277,731,159
Maryland	\$543,288,270	\$652,682,044	\$1,241,467,353
Massachusetts	\$219,454,000	\$895,065,084	\$1,336,419,788
Michigan	\$2,028,505,086	\$2,060,255,847	\$2,028,505,086
Minnesota	\$708,685,804	\$527,110,107	\$1,110,610,099
Mississippi	\$71,600,000	\$292,027,760	\$563,774,837
Missouri	\$227,688,000	\$1,238,197,702	\$1,212,049,211
Montana	\$195,213,722	\$195,213,722	\$195,213,722
Nebraska	\$64,661,513	\$249,683,735	\$357,577,070
Nevada	\$163,785,000	\$801,616,201	\$675,854,391
New Hampshire	\$40,096,000	\$327,071,091	\$303,657,980
New Jersey	\$86,043,510	\$643,921,211	\$1,798,597,522
New Mexico	\$390,773,801	\$649,761,766	\$390,773,801
New York	\$1,884,870,000	\$1,537,526,156	\$3,743,441,177
North Carolina	\$1,685,721,255	\$1,359,389,223	\$2,029,233,904
North Dakota	\$976,266,000	\$78,847,495	\$115,534,098
Ohio	\$760,160,016	\$1,261,559,923	\$2,186,159,798
Oklahoma	\$539,702,900	\$4,002,240,451	\$689,888,999
Oregon	\$152,706,621	\$1,633,895,317	\$837,465,151
Pennsylvania	\$1,416,391,200	\$1,471,819,910	\$2,451,794,655
Rhode Island	\$69,483,429	\$113,890,826	\$225,278,028
South Carolina	\$372,776,160	\$519,809,413	\$1,010,881,197
South Dakota	\$29,535,000	\$80,307,634	\$164,425,465
Tennessee	\$505,966,544	\$1,004,575,494	\$1,315,001,323
Texas	\$3,625,999,735	\$3,666,408,527	\$5,511,621,027
Utah	\$584,147,174	\$584,147,174	\$584,147,174
Vermont	\$39,195,780	\$64,246,107	\$137,238,689
Virginia	\$1,017,322,385	\$811,837,173	\$1,658,285,029
Washington	\$561,299,250	\$1,649,956,844	\$1,442,459,242
West Virginia	\$27,387,000	\$223,401,236	\$357,498,676
Wisconsin	\$579,074,219	\$678,964,542	\$1,147,847,490
Wyoming	\$80,550,000	\$65,706,246	\$107,927,318
USA Totals	\$38,138,807,118	\$50,881,690,327	\$64,138,829,960