The Tasty Future of Cannabis Edibles

A Cannabis Intelligence Briefing Series Report

ARCVIEW Market Research

BDS Analytics

A Sampling of Key Insights*

From naming and branding to product development, cannabis edibles companies are leading the industry out of the prohibition era. They are gaining share of the consumer dollar, to be sure; but more importantly, they are becoming the public face of cannabis in dispensary display cases, and "normalizing" cannabis in the public eye.

Consumer spending on cannabis-based food & drink **reached an estimated $1B in 2017** in North America, representing about 11.4% of the total $9.1B in consumer spending on consumable cannabis in the region.

$1B

Consumers in front-running adult-use markets in the US have **significantly shifted their spending** over recent years to other categories of cannabis consumables, especially **into concentrates and edibles**.

$$$

The majority of cannabis edibles sold in the US fall into the **candy and chocolate** categories. The two categories accounted for an estimated **$598M in sales in 2017**, or just over 60% of the $991M in total U.S. consumer spending on cannabis edibles.

$598M

Packaging is an essential component of edibles manufacturing. Compliant child-resistant packaging can account for as much as **a third of the total bill of materials of the final product**. Regulatory changes related to packaging, even in established markets, are ongoing.

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The edibles category in Colorado has **outpaced overall cannabis sales growth** significantly (35% CAGR vs 25% CAGR) **between the first quarters of 2014 and 2018**. Flower growth trailed at 17%.

35% CAGR

"The forecasts in this report show a $4B market for cannabis edibles in the US and Canada by 2022. That represents "traditional" edibles sold through legal cannabis channels in those countries. CBD, and other non-psychoactive cannabinoid isolates derived from cannabis, however, could lead to an astoundingly expanded market for infused edibles, sold through every channel by which people acquire food and drink."

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*These insights are featured in the *The Tasty Future of Cannabis Edibles* report