



**ARCVIEW**  
Market Research

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**DECLARATION OF CANNABIS AS AN ‘ESSENTIAL SERVICE’ AMID  
COVID-19 PANDEMIC IS HISTORIC MOMENT**

**Forecasting Worldwide Legal Cannabis Industry to Reach  
Sales of \$46.8 Billion by 2025.**

**LOS ANGELES, CA (July 13, 2020):** Arcview Market Research and BDSA (formerly BDS Analytics) forecast worldwide legal cannabis industry revenue will grow another 38% to \$20.4 billion in 2020. The eighth edition of the widely-cited “State of Legal Cannabis Markets” series also forecasts sales to reach \$46.8 billion in 2025, growing at a 21.2% compound annual growth rate (CAGR) from 2019-2025.

Cannabis has been designated an “essential service” by state governments amid COVID-19 restrictions within cannabis-friendly U.S. states, demonstrating the dramatic change of status for cannabis over the last decade. Most notably, the designation enables government and industry to work together effectively towards a common goal of improving the economy and providing critical access to medical and wellness products. As quarantines lift, support from state officials looking to fill budget shortfalls from the recession could result in more legalization efforts.

“The shelter-in-place orders that began in mid-March could prompt cash-starved state governments to accelerate legalization in a bid for tax revenue,” said Troy Dayton, founder and Chief Strategy Officer of The Arcview Group. “Despite several states postponing planned 2020 legalization ballot measures due to COVID-19, the current forecast shows all Americans having access to medical cannabis by 2025.”

The global legal cannabis industry CAGR of 34.3% (between 2013 and 2019) can be mostly attributed to shifting views and baseline demand. Looking ahead, the worldwide market is expected to more than triple- from \$14.8 billion in 2019 to \$46.8 billion- in 2025. The top contributors to U.S. growth will include California, Florida, New York, Illinois, and New Jersey.

“The fundamental fact underlying the forecast of worldwide growth to \$46.8 billion in 2025 is simple: even at \$14.8 billion in 2019, legal spending represented just a sliver of global cannabis spending, including the illicit trade,” said Roy Bingham, Executive Chairman at BDSA.

Other key trends analyzed in the *State of the Legal Cannabis Markets, Eighth Edition*, include:

- Several key features of the U.S. market that will support a CAGR of 18.2% to \$33.9 billion in 2025.
- The implications for companies and investors as publicly traded cannabis companies transition from “story stocks” to equities that trade on fundamental analysis and management execution.
- Canada’s combined medical and adult-use spending nearly tripled from \$582 million to \$1.6 billion in 2019. Revenue is forecast to grow 73% to \$2.8 billion in 2020 due to growing store counts in populous provinces, plus the late-2019 allowance of new product types.
- Germany constitutes 22% of overseas sales with its medical-only program. With most countries limiting legalization to medical cannabis, the major driver of spending for the forecast period will be Mexico’s anticipated legalization of adult use (both medical and recreational). Mexico and Germany are on-track to account for 40% of 2025 international sales, excluding the U.S. and Canada.

Through seven annual editions, *The State of Legal Cannabis Markets* has been the definitive report on the worldwide legal cannabis industry. Since the fifth edition, the report has been produced by Arcview Market Research in partnership with BDSA, bringing BDSA’s unique retail-sales tracking and consumer studies to the forecasting of legal cannabis spending in over 50 US states and territories, ten Canadian provinces and territories and 40 countries.

Order the full report of Arcview Market Research’s *The State of Legal Cannabis Markets 8th Edition* to get the latest cannabis industry data and give your company a dealmaking edge as you navigate the ever evolving cannabis industry <https://research.arcviewgroup.com/solcm8/>.

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### **About The Arcview Group**

The Arcview Group blazed the trail for cannabis investments and is the largest and 1st vertically integrated firm servicing the industry. As a trusted global leader and nexus for investors, companies, entrepreneurs, money-managers and community, Arcview provides an expansive ecosystem that delivers a broad spectrum of programs and services to the industry. Arcview is synonymous with best-in-class. By providing the tools necessary and curating top-notch

cannabis companies, Investor Members have had the playbook that has enabled them to invest hundreds of millions in more than 300 private cannabis startups. Furthermore, Arcview Market Research is the #1 source cited for market data, thought leadership and insights. In early 2020, Arcview Ventures was launched, as a member-managed fund that pools resources and strategic alliances together to make collective investment decisions. Arcview continues to expand novel programs, proprietary technology and platforms and international footprint. For more information, please visit <https://arcviewgroup.com/>

### **About BDSA**

Headquartered in Boulder, CO, BDSA (formerly BDS Analytics) helps businesses improve revenues, reduce innovation risk and prioritize market expansion. The company provides a holistic understanding of the cannabinoid market by generating comprehensive, accurate and actionable insights across point-of-sale data, consumer research and global forecast models, available through the award-winning GreenEdge® data platform. To learn how you can utilize BDSA's market research and insights, visit [www.bdsa.com](http://www.bdsa.com).