

An Overview of The Hemp THC Consumer & Market

December 2024



BRIGHTFIELD GROUP

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ABOUT US

The Brightfield Difference – Insights for Emerging Industries.

Since 2015, Brightfield Group has been providing research and insights to the cannabis community, but we're more than just data – we're a trusted partner that will help you create an actionable plan for the road ahead.

We provide a data-driven holistic view of products, customers, and the market landscape across emerging markets based on a combination of qualitative and quantitative sources including consumer surveys, online retail tracking and social listening.

By combining direct consumer feedback with social listening and machine learning, we deliver deep insights that empower our partners to make informed business decisions.



Hemp-Derived THC Studies

Background: Coverage of Hemp-Derived THC

With years of experience in analyzing consumer trends and behaviors, in the cannabis space, Brightfield Group has established itself as a trusted partner for companies navigating the complexities of the evolving industry. Brightfield Group has been tracking the rise of Hemp-derived THC in our General Population Study, Market Insights and the new dedicated Hemp-Derived THC consumer study to help clients understand this quickly evolving opportunity

Three Sources for Hemp-THC Insights



CBD & Hemp-Derived Market Insights

Market Sizing and Forecasting for Hemp-Derived THC by format provides insights on projected growth of the category overall accompanied by qualitative reporting, estimated brand shares of top 20 companies and share by hemp-derived cannabinoid (Delta-8, Delta-9, THCa etc.)



General Population Wellness CPG Study

Brightfield's General Population Wellness study allows you to track incidence rates of hemp-derived THC usage across the US adult population and compared to other substances and products. Allows you to compare Hemp THC users to the gen pop and learn about these consumers' consumption patterns, lifestyle and behaviors.



Hemp-Derived Consumer & Brand Study

Dedicated study about Hemp-Derived consumers, including breakouts of CBD vs Hemp-Derived THC consumers. Allows you to see why consumers use Hemp-Derived THC, format usage, frequency of use, quality perceptions, and brand funnels for overall Hemp-THC, and beverages specifically.

Background & Executive Summary



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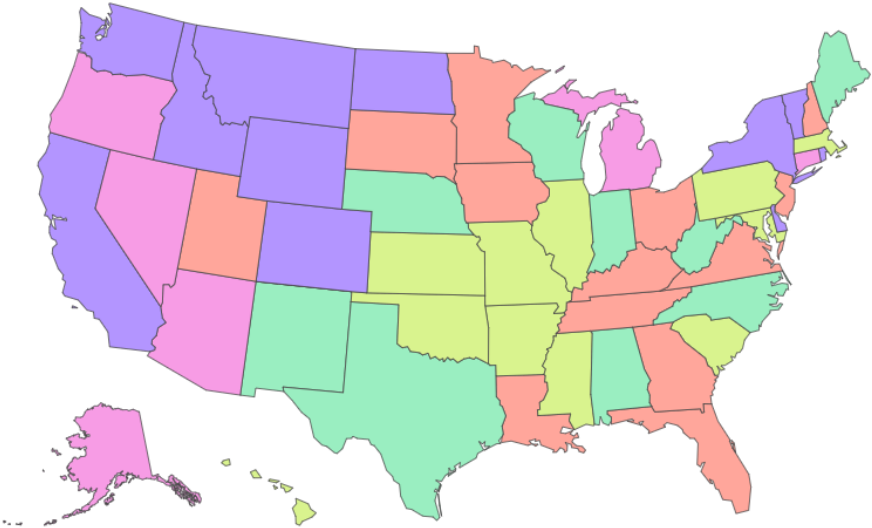
Background on Hemp THC Federal Legality

The hemp-derived THC market exists because of the specific language used within the 2018 Farm Bill which began the wave of hemp-derived product sales if they **adhere to a 0.3% Delta-9 THC concentration limit by dry weight**. First, the bill focused solely on Delta-9 THC, meaning that many **other intoxicating cannabinoids such as Delta-8 THC, THCA, and HHC are not explicitly covered under the legislation and remain federally legal**. Additionally, **products can contain sizable Delta-9 THC while adhering to the 0.3% dry weight limit if they are sufficiently heavy**, like edibles and drinks often are. As a result, Delta-9 edibles have also proliferated under the 2018 Farm Bill.

Many **states have adopted their own approaches** to regulating psychoactive hemp products in lieu of federal regulation. **The next iteration of the Farm Bill** was expected to pass in 2024, following a year-long extension of the 2018 version that was passed in 2023, but this has yet to occur. **Below is an update of the legal status of hemp-derived THC in each state** to the best of our knowledge. State data was last updated in October 2024

Hemp-Derived Legal Status by State

- Prohibited
- Prohibited Outside Cannabis Channels
- Regulated
- Unregulated
- Unregulated, Ban Unclear/Unenforced



STATE-LEVEL HEMP THC REGULATORY STATUS

Unregulated	Alabama, Indiana, Maine, Nebraska, New Mexico, North Carolina, Texas, West Virginia, Wisconsin
Unregulated, Ban Unclear/Unenforced	Arkansas, Hawaii, Illinois, Kansas, Maryland, Massachusetts, Mississippi, Missouri, Oklahoma, Pennsylvania, South Carolina
Regulated	Florida, Georgia, Iowa, Kentucky, Louisiana, Minnesota, New Hampshire, New Jersey, Ohio, South Dakota, Tennessee, Utah, Virginia
Prohibited Outside Cannabis Channels	Alaska, Arizona, Connecticut, Michigan, Nevada, Oregon
Prohibited	California, Colorado, Delaware, Idaho, Montana, New York, North Dakota, Rhode Island, Vermont, Washington, Wyoming

Source: Brightfield Group 2024

Further explanations of state regulations can be found in [our hemp-derived market sizing offering](#).

Hemp THC Market by the Numbers

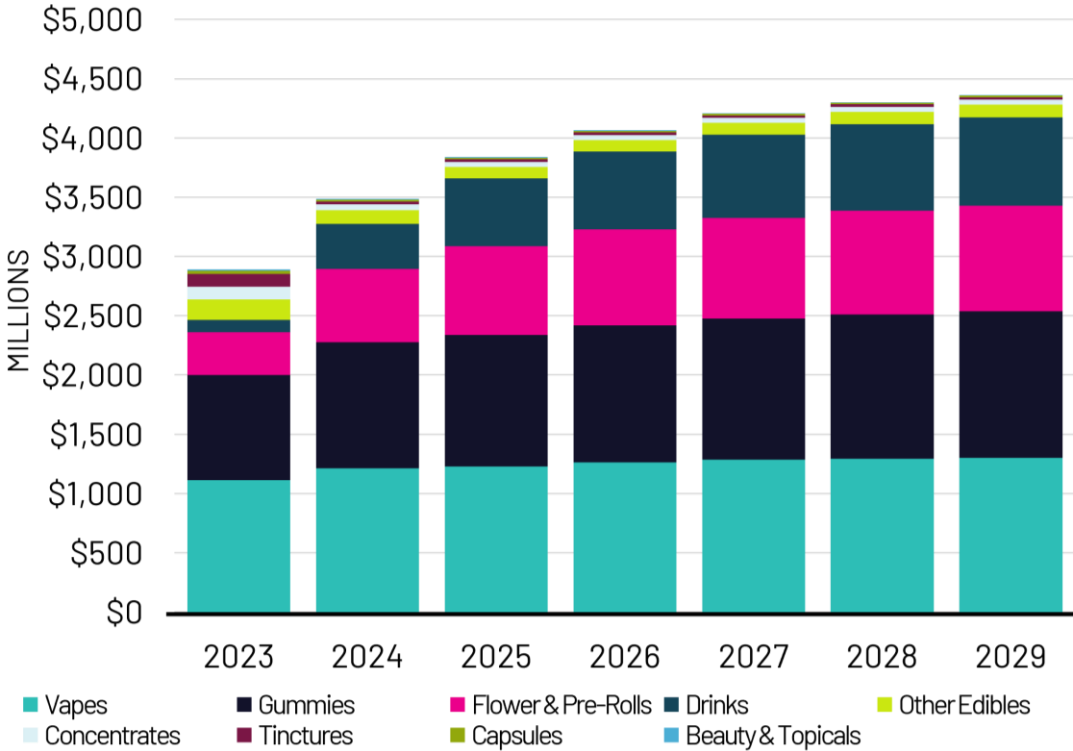
In our latest market sizing projections, published in October 2024, Brightfield Group projects that the **U.S. market for hemp-derived psychoactive cannabinoid products** will reach approximately **\$3.5 billion in annual sales in 2024**, representing a 21% year-over-year increase and explosive growth from 2020 estimated annual sales of \$200 million.

In the absence of significant regulatory restrictions, the market is expected to **grow to \$4.4 billion by 2029**, with a **compound annual growth rate (CAGR) of 4.6%**.

Growth over the forecast period will be driven by:

- **Ongoing adoption** of hemp-derived THC products **by large distributors** that supply retailers such as convenience stores, smoke/vape shops, and liquor stores.
- **Improvement in product quality and safety** as the industry adopts higher testing standards to attract new consumers and comply with local regulations.
- **Limited access to adult-use cannabis** continuing to drive cannabinoid-curious consumers towards hemp-derived products.

U.S. HEMP THC SALES
BY PRODUCT TYPE, 2023-2029



- This figure is more conservative than the other prominent forecast of the market, created by Whitney Economics, that valued the total hemp-derived cannabinoid market (including CBD and hemp THC) in excess of \$28 billion. Brightfield Group's combined CBD and hemp THC market size is nearly \$7 billion.
- Our market sizes are calculated using consumer-reported incidence rates and other survey data while Whitney Economics projects the number of stores carrying these products and store revenues, including states where hemp-derived cannabinoid sales are banned or restricted (\$14 billion of projected market value).
- Our forecasts assume stable market conditions, meaning minimal regulatory changes that impact industry sales, due to the volatility of governmental developments.

Hemp-Derived cannabinoids are growing in awareness among the general population.

Looking at total population data from our Wellness Study, CBD is the most widely known cannabinoid. However, Delta-9 THC has been growing over time and its awareness levels has almost surpassed those of Delta 8.

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
CBD	42.4%	56.0%	55.5%	53.3%	52.0%	54.0%	52.0%	54.7%	53.8%	54.4%	57.2%
Delta-10 THC	17.5%	16.3%	17.3%	17.2%	16.7%	14.8%	15.0%	16.3%	13.3%	15.2%	18.5%
Delta-8 THC	21.4%	20%	21.3%	20.9%	20.9%	18.7%	19.1%	20.3%	18.5%	20.9%	23.4%
Delta-9 THC (hemp-derived)						16.7%	17.5%	17.4%	16.3%	19.3%	23.0%
THCa	18.2%	16.3%	13.6%	13.0%	11.2%	12.5%	12.7%	8.6%	9.3%	10.5%	13.6%
THC-O	5.1%	5.0%	12.6%	13.8%	12.6%	11.8%	11.7%	10.6%	9.1%	11.8%	13.2%
THC-V	4.5%	4.4%	10.9%	10.8%	10.1%	9.8%	9.6%	10.1%	8.5%	9.7%	11.5%

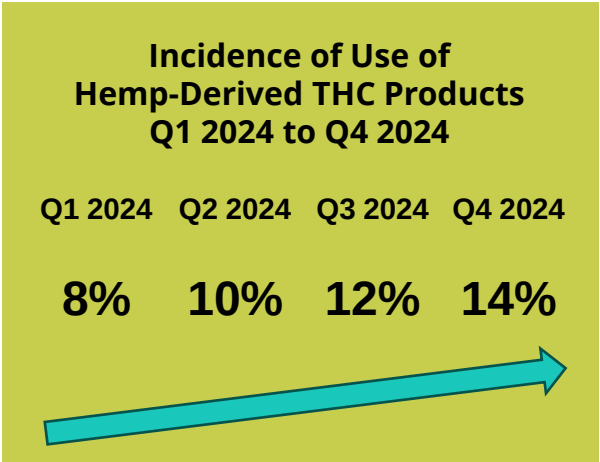


Usage incidence is also growing, quite rapidly, in recent surveys.

Turning towards usage incidence among surveyed general population U.S. adults, around 6% reported using a product with a specific hemp-derived psychoactive cannabinoid but 12% said they used hemp-derived THC more broadly. For comparison, the incidence of hemp-derived THC use is on par with hummus purchasing in the past 3 months.

Incidence of Use of Cannabinoids Past 6 Months

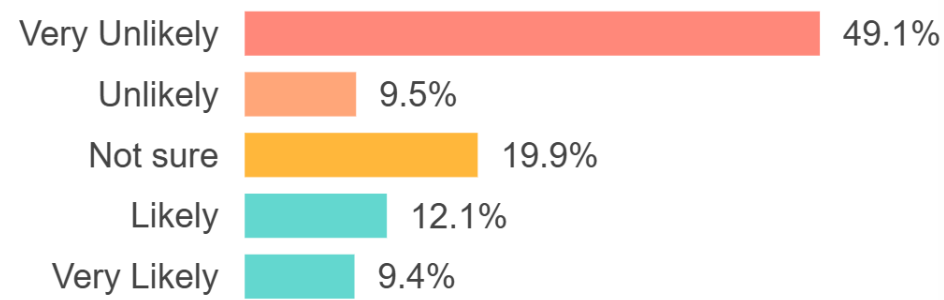
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Cannabis	22.2%	23.2%	22.5%	22.2%	20.2%	18.4%	25.2%	26.9%
CBD	19.1%	18.4%	14.9%	15.1%	12.7%	12.4%	14.9%	13.6%
Delta-8 THC	6.0%	5.0%	5.5%	5.5%	4.3%	4.3%	5.1%	5.7%
Delta-10 THC	4.1%	3.1%	2.9%	3.4%	2.4%	2.3%	3.6%	4.0%
Delta-9 THC (hemp-derived)		5.9%	3.3%	4.1%	3.1%	3.3%	5.5%	5.0%
THCA	2.2%	2.2%	2.3%	1.6%	1.4%	2.0%	3.1%	3.3%
THC-O	2.4%	2.1%	1.8%	1.8%	1.0%	1.5%	2.2%	2.0%
THC-V	1.9%	1.4%	1.3%	1.3%	0.9%	1.4%	1.5%	2.0%



Total U.S. Cannabis Incidence Q3 2024 was 27% it has grown since 21% in Q3 2021.

22% of non-users are open to hemp THC products while another 20% are not sure. Openness to cannabis and CBD is much higher

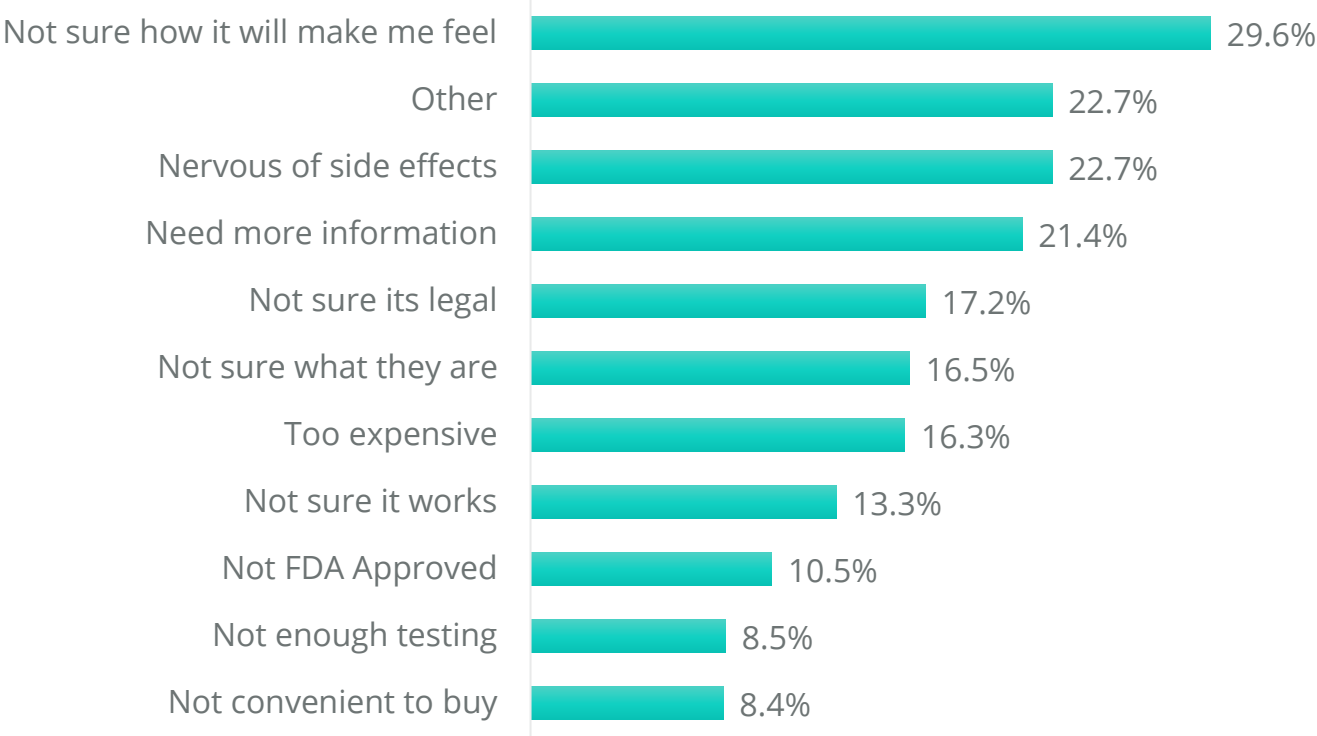
HD THC Receptivity



Openness to:

- Cannabis - 55%
- CBD - 63%

Barriers to Using Hemp-Derived THC



Methodology & Category Incidence



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Background & Methodology

Background: We have been running a CBD study since 2021 to understand users' habits and track the brands they are using. In H1 2024, we included more questions about hemp-derived THC, allowing CBD or hemp THC users to qualify for the study.

Methodology: Data is collected online via a consumer survey panel quarterly. Each quarter of data consists of 3,000+ respondents age 21+ that are blindly screened for CBD, cannabis and Hemp-Derived THC usage in the past 6 months. Starting in Q1 2024 we changed the methodology so that respondents had to say they either used CBD or Hemp THC in the past 6 months to qualify. We gather information on unaided use as well as confirmed use once we provide product definitions. Quotas are set and weighting is used to ensure the sample is balanced based on user demographics from our general population Wellness Study.

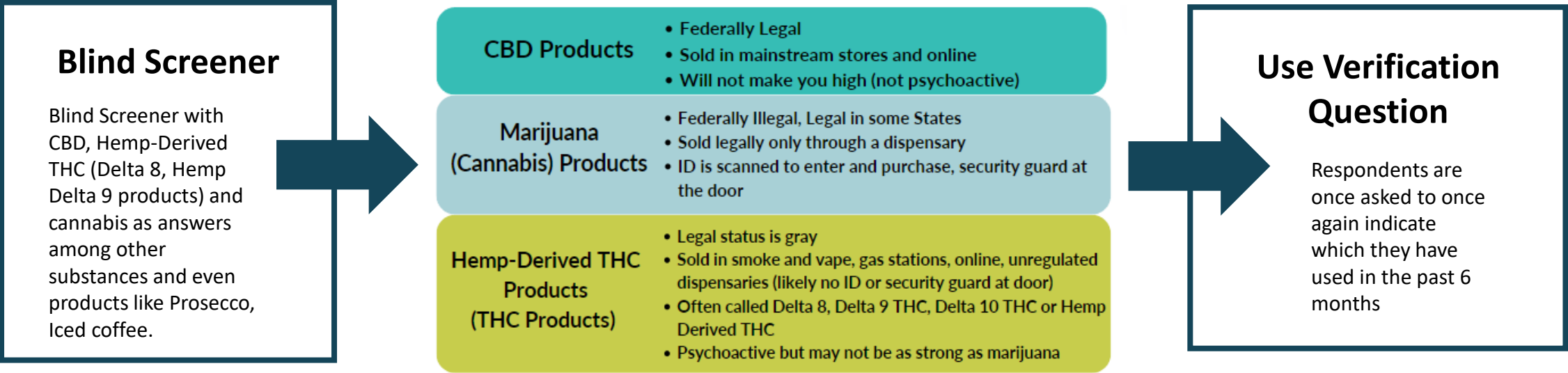
Q3 2024 Sample Size
N=3,013

Explore more in the portal!
Dive deeper with your
[interactive dashboard here.](#)



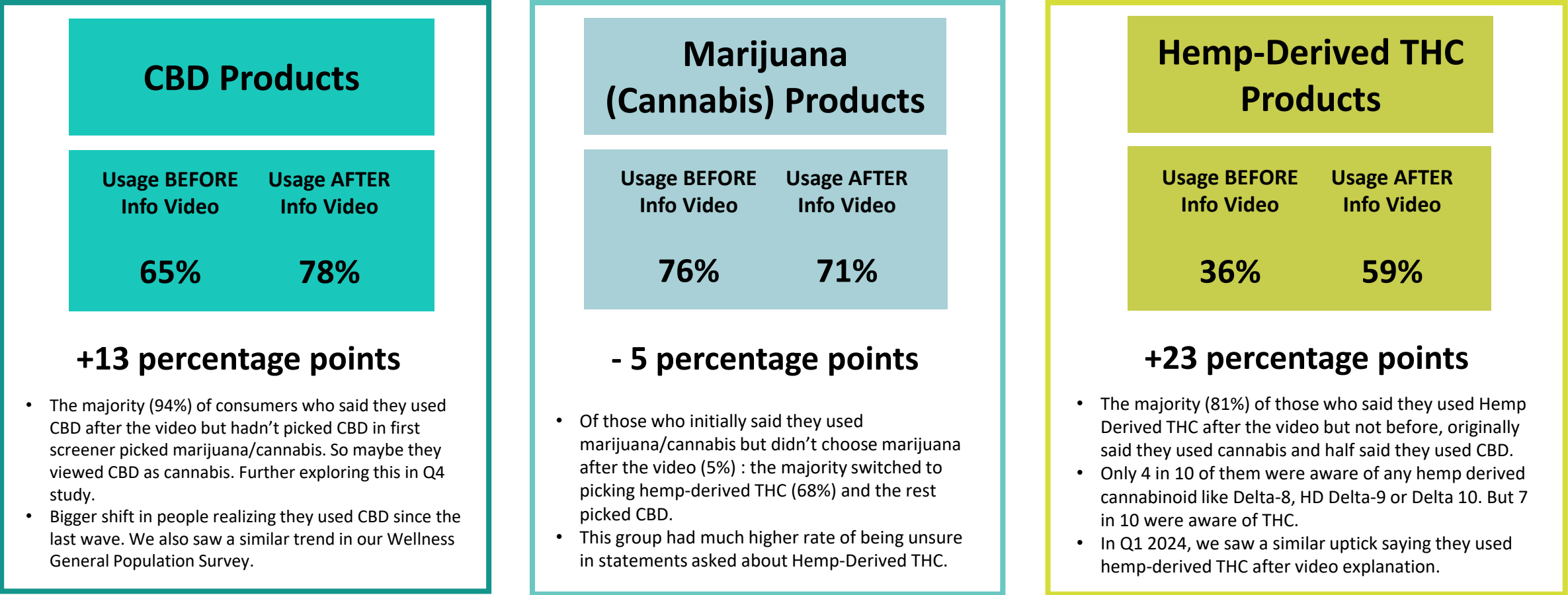
Consumer usage is verified with product definitions after an initial question about past 6-month use

After getting initial unaided reads on awareness and use of various cannabinoids, we provided respondents with our best attempt at defining the difference between CBD, marijuana products and hemp-derived THC products. The respondents were shown a video and page with the defining factors. They were then asked to once again indicate which they have used in the past 6 months. We also used this methodology in our general population wellness survey.



Most consumers think they are using cannabis and do not realize that they are actually using hemp-derived THC products.

There is a surprising uptick in consumers not remembering that they used CBD seen both here and in the gen pop wellness survey. The respondents were shown a video and page with defining factors to help differentiate.



An Overview of Hemp-Derived THC Users



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Who is the Hemp-Derived THC consumer?

Compared to the General Population, we continue to see consumers of hemp-derived THC products skew male, younger adults, urban residents, and middle-income earners. Additionally, they are more likely to report higher stress levels.



Skews Male



Middle to lower-income



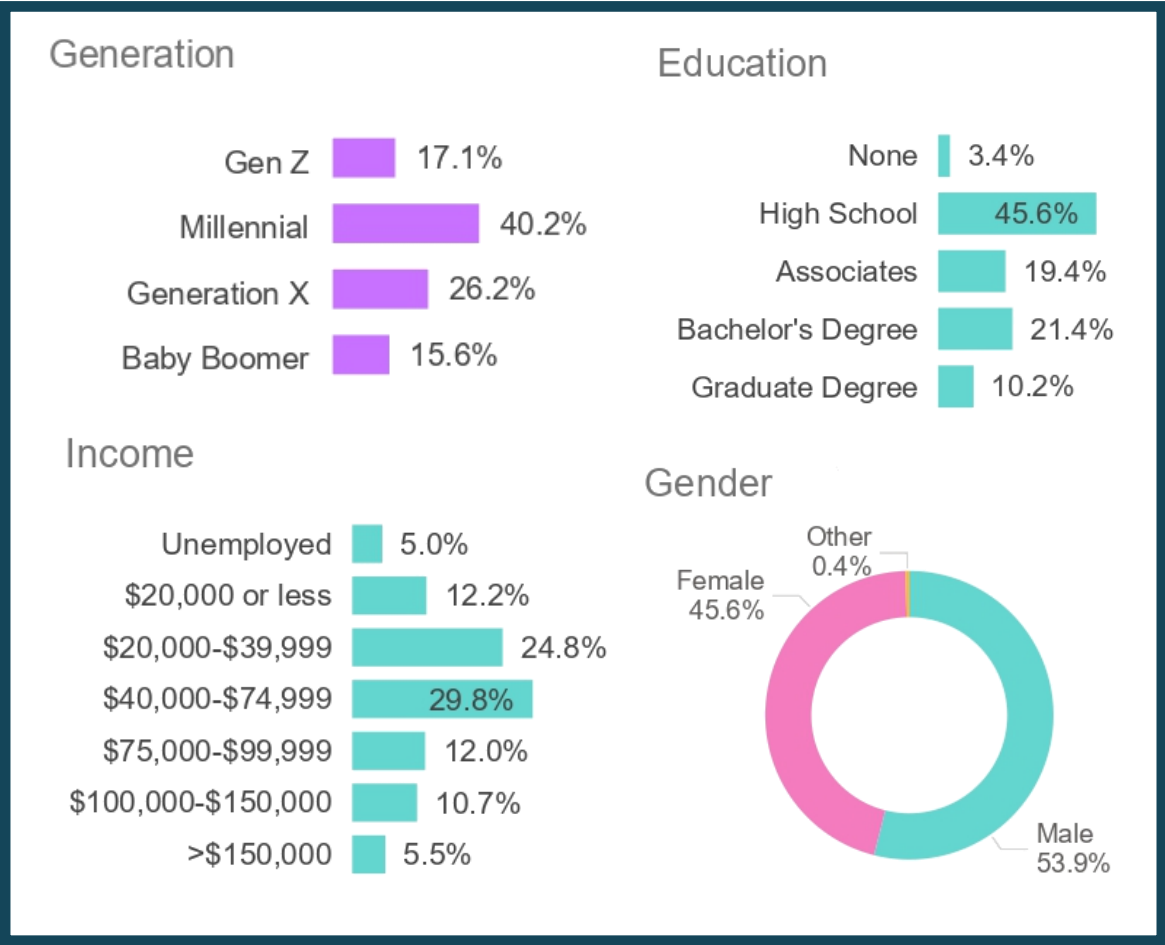
City Dwellers



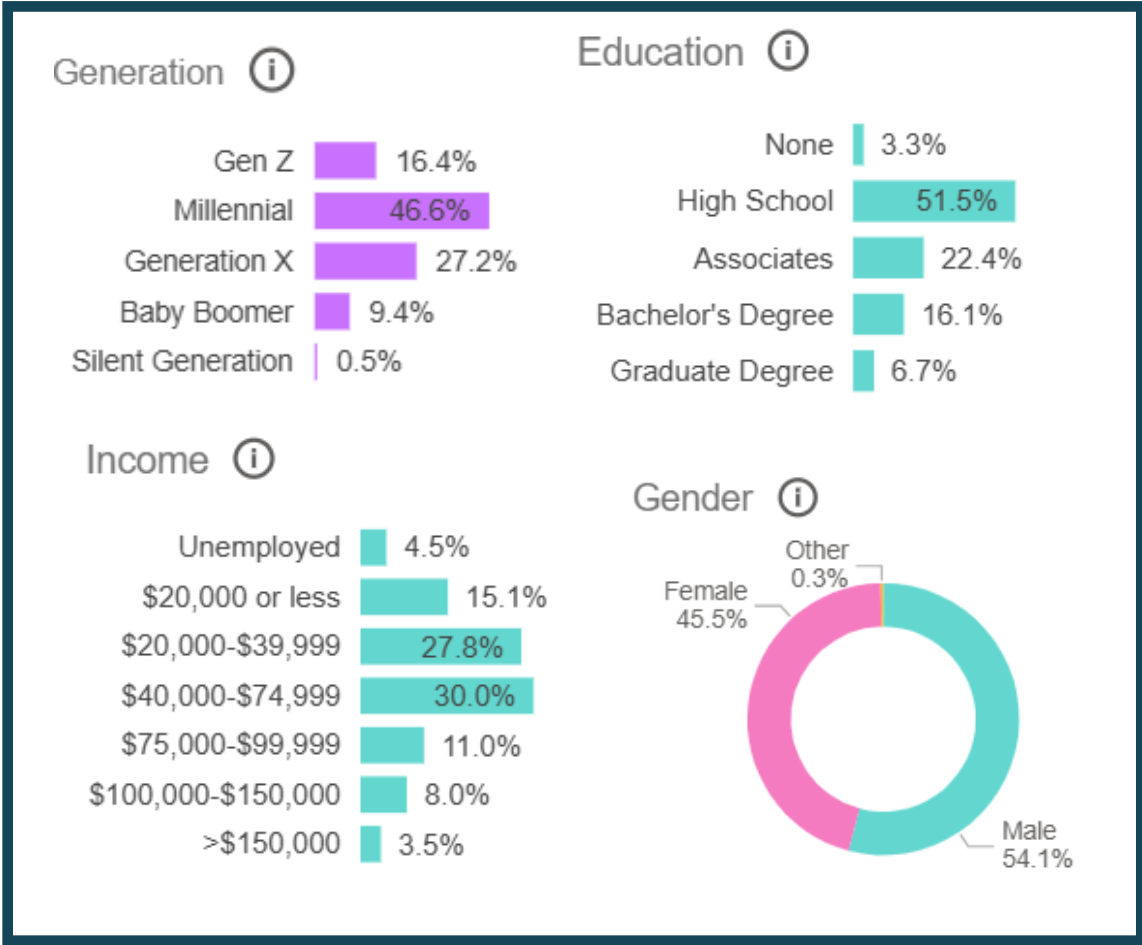
Skews Gen Z & Millennial

Between Q1 and Q3 2024 surveys, the hemp-derived THC user base has started to skew more Millennial.

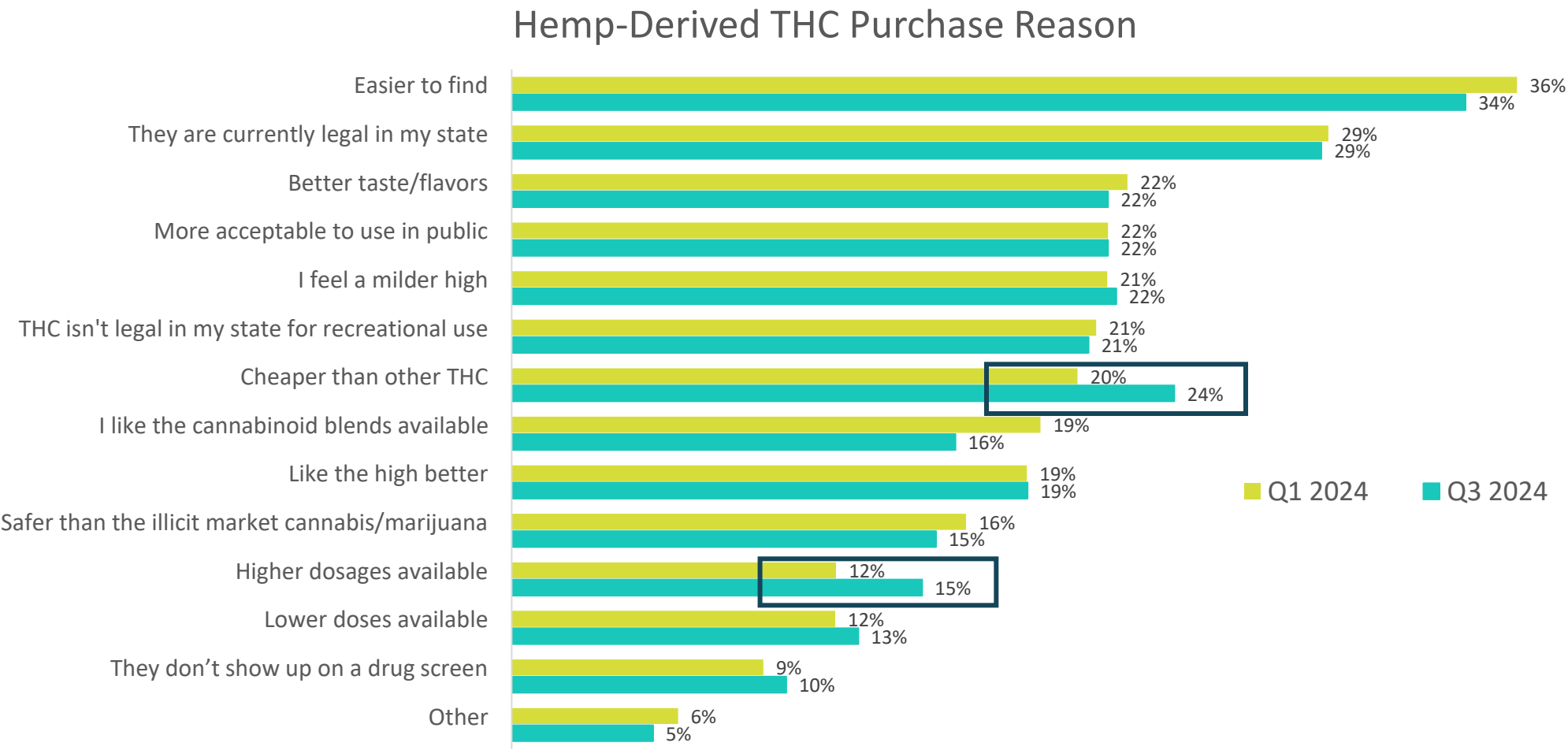
Q1 2024



Q3 2024



This wave saw an uptick in consumers turning to hemp-derived THC products instead of cannabis/marijuana due to the cheaper prices and higher available dosages.



The hemp-derived THC industry is composed primarily of three different groups that are helping to drive distinct market trends.

Key Consumer Groups Emerging in Q3 2024

Initial CBD Users moving into psychoactive hemp.

Historical marijuana/cannabis users now using Hemp-Derived THC, many instead of cannabis.

New THC Users that never used cannabis and prior to Hemp-Derived THC.

Key Trends Emerging in Q3 2024



Gummies remain top format, but flower use is growing



Beverages are being used as an alcohol substitute



HD THC brings THC newbies, like women, into the category



Drinks continue to attract a lot of attention, although adoption may show signs of slowing



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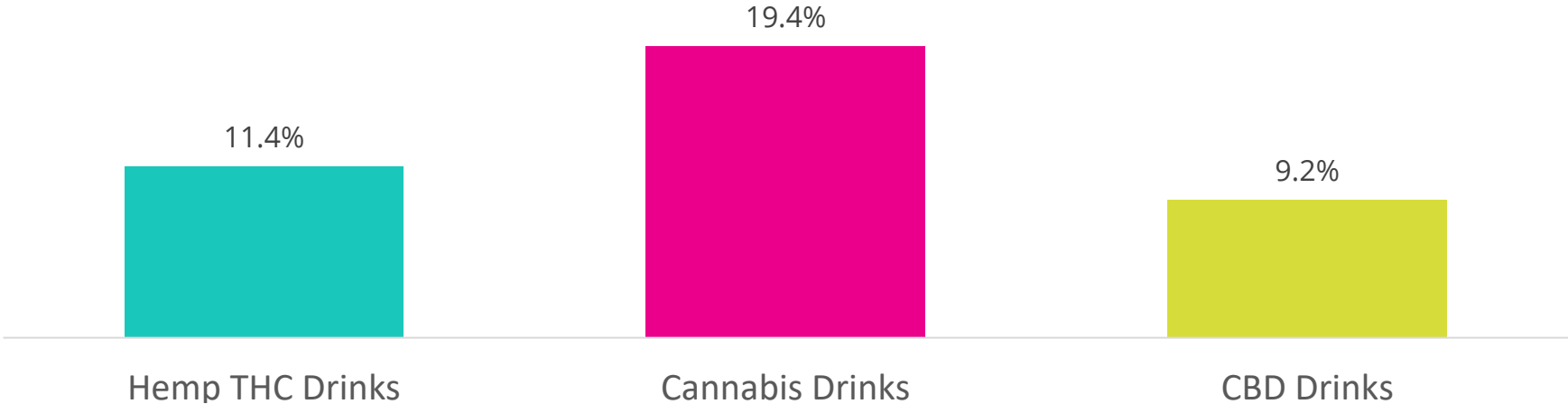
Hemp-derived THC beverages continue to surge, driven by strong individual state markets, distributors, and cannabis brands.

- Brightfield Group estimates that sales of hemp-derived THC beverages nearly **quadrupled from 2023 to 2024**
- With current market and regulatory dynamics, drinks are expected to be worth **nearly \$750 million annually by 2029**, leading growth of other categories with a **compound annual growth rate (CAGR) of 14%**.
- **States like Minnesota have contributed heavily to this growth**, with thousands of licensed retailers serving low-dose products, including breweries which are permitted to sell drinks on tap leading to approximately \$200 million in ingestible product sales this year even with a 10 mg dosage limit.
- Some states that have adopted a harsher approach to regulation, [such as South Dakota](#), have been **more lenient in their enforcement with drinks**, still widely available on-premise and in liquor stores.
- **Drink brands that started in cannabis**, such as Cann, WYNK, and BRĒZ, have entered the hemp drink market to quick success as adoption by liquor stores and their distributors continues.



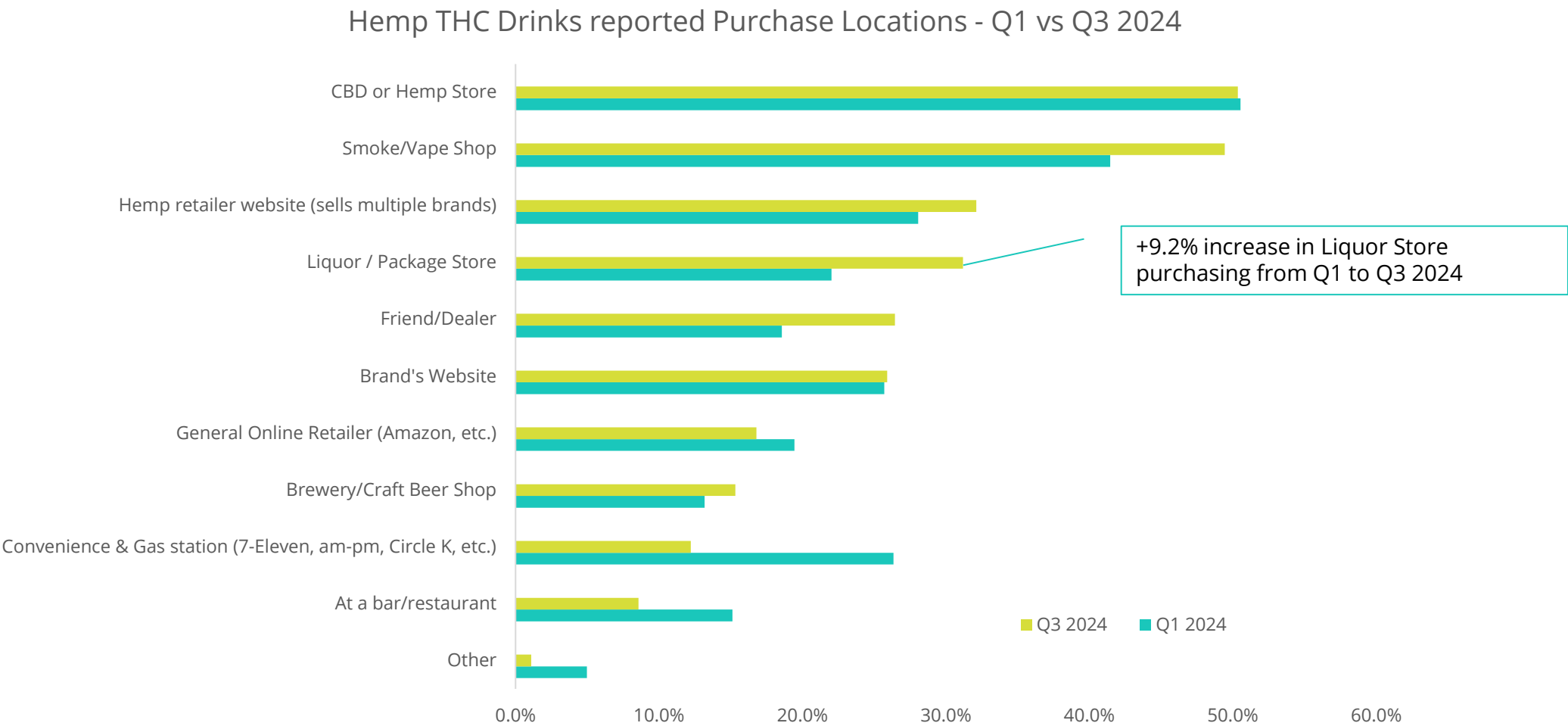
Roughly 11% of hemp THC respondents used drinks, down slightly from 14% in Q1, but adoption has been much faster than what was seen in CBD or cannabis drinks.

Drink Usage Incidence by Market



Note: use of Hemp-Derived THC drinks declined slightly from 14% to 11% from Q1 to Q3 2024

Consumers have increasingly reported purchasing Hemp THC drinks from Liquor Stores, perhaps coinciding with increased availability



Demographically, Drink users skew Millennial, are likely to use other cannabinoid products, and nearly three quarters also use hemp-derived gummies.

Other Hemp THC Products Used by Hemp THC Drink Consumers

Book a demo & unlock access to deeper insights about Hemp THC consumers!

Consumers who use HD THC and Alcohol are likely to use both at home, hanging with friends, at concert/festival, outdoor activities.

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