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Medical Cannabis market to grow 13.6% in 2022

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In the United States, it is expected that medical cannabis revenues will overtake recreational use revenues in the next four years, finds Frost & Sullivan



Frost & Sullivan's recent analysis on medical cannabis finds that the total revenue of this market in the United States is expected to grow from $5.32 billion in 2017 to $10 billion in 2022, at a compound annual growth rate (CAGR) of 13.6%.

Even though the Food and Drug Administration (FDA) has approved only a few medical marijuana-derived products, there will be a strong growth trajectory over the next few years. Much of the current medical cannabis revenue is currently generated in states where the use of marijuana plant products for medical indications has been legalized.

Revenue projections suggest that the medical segment of the market may surpass the recreational revenue segment in the next four years, as patients in states where marijuana is legal look for alternatives to opioids to treat their chronic pain.

Cannabinoid targeted small-molecule drugs, such as Cesamet, Marinol and Sativex, have been approved for the treatment of numerous medical conditions. In some US states where medical marijuana has been legalized, prescription pain drug use has reduced, especially opioids. Medical cannabis-derived products have the potential to treat pain, which could significantly curb the out-of-control opioid epidemic gripping the nation.

Future growth opportunities in this market include:

- Health Canada, the department of the government responsible for national public health, covers the use of medical cannabis for pain and diseases like epilepsy, and will be a reference for future US coverage;
- Billions of dollars are being invested in cannabis research across the globe to study the effects of cannabis on different medical conditions; and
- Big pharma companies have the capital and regulatory expertise to get CBD-based drugs approved.

Restraints in this market include the risk of patient medical registry data where medical use is permitted and the lack of understanding from physicians about cannabis since they might not have completed medical cannabis coursework in medical school.

One of the major concerns of the United States Food and Drug Administration (FDA) is that the lack of standardized testing of cannabis plants (marijuana) is making it impossible to evaluate, with scientific rigor, the test results that are normally required for drugs that are approved for human use. Nevertheless, healthcare companies are willing to invest.

US Medical Marijuana Market, Forecast to 2022 is part of Frost & Sullivan's Transformation Health – Life Sciences Growth Partnership Service program.