

Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"Channels for food and beverage with cannabis as an added ingredient have opened doors that the quintessential "special" brownie never dreamed of, but legal restrictions still constrain how high edibles and drinkables can fly."

Michele Scott, Senior Analyst

This report looks at the following areas:

- Trust and safety are concerns
- Edibles and drinkables are hard to get right
- Cannabeverage is not Alcohol 2.0 (but adult beverage brands should still take note)

On-premise options are limited, and distribution is still intra-state only; but creative chefs and entrepreneurs have found ways to engage consumers interested in edible and drinkable cannabis while complying with federal and local restriction because the demand is there. Ultimately, consumers show interest in food and beverage with cannabis as an ingredient; brands must consider how to build trust and balance efficacious dosing with a delicious product.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Overview

What you need to know

Definition

Executive Summary

Market overview

The issues

Trust and safety are concerns

Edibles and drinkables are hard to get right

The opportunities

Creativity moves brands beyond ready-to-eat options

Cannabeverage is not Alcohol 2.0 (but adult beverage brands should still take note)

Better-for-you brings opportunities

Key trends

Consumers are sweet on edibles

Consumers slower to cheers with cannabis

Good taste is always in style

Canna-foodies are the key crossover

What's next

Market Landscape

A tale of two markets

Adult beverages as key competitive set

Figure 1: Total US retail sales and forecast of alcoholic beverages, at current prices, 2014-24

Figure 2: Total US retail sales of Adult Beverage, by segment, at current prices, 2014 and 2019 (est)

Functionality may offer latitude on important attributes

Figure 3: Perception of food launches with functional claims versus without functional claims, Jan 2017-Dec 6, 2019

A unique spin on beverage

Figure 4: Perception of drink launches with functional claims versus without functional claims, Jan 2017-Dec 6, 2019

Market Breakdown

Competition comes from everywhere

Interest outpaces experience (for now)

Figure 5: Experience or interest in cannabis consumption methods, October 2019

High quality highs worth the price

Edibles, munchies and snacks - oh my!

Figure 6: Preferred snack flavor types, by age, November 2019

Consumers are a little salty

Figure 7: Usage and interest in food and beverages with cannabis as an ingredient, January 2020

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

General favorite flavors reinforce opportunities

Figure 8: Preferred snack flavor types, November 2019

THC vs. ABV

Figure 9: Perceptions of alcoholic beverage and cannabis, July 2019

Market Perspective

Dosing can be tricky for both brands and consumers

Changes in regulations can change the game

Cost of entry is high for cannabis cuisine

Medical edibles require a different approach

Seeing through the smoke

Brand Landscape

Trend drivers - what motivates consumer behavior?

Brands to watch

California blazes the trail towards on premise

Infused ingredients elevate at-home edibles

Etsy x Cannabis = semi-homemade

Boozeless adult beverage

Pot gets a culinary edge

Canna-cookbooks turn consumers into canna-chefs

Stigma stifled by education (the more you know!)

The Consumer - What You Need to Know

Flavor comes first

Cannabis creeps up on alcohol

Familiarity finds favor with flavors

Usage and Interest

Sweet teeth and an eye for nutrition

Figure 10: Interest or experience in food /drink with cannabis ingredients, January 2020

More men show thirst for cannabis

Figure 11: Interest In food /drink with cannabis ingredients, by gender, January 2020 $\,$

Youth more open to indulge

Figure 12: Interest in food /drink with cannabis ingredients, By Age, January 2020

In good taste

 $Figure \ 13: Interest \ or \ experience \ in \ food \ / drink \ with \ cannabis \ ingredients, \ by \ important \ qualities, \ January \ 2020$

Reasons for Interest

Edibles inspire curious consumers

Figure 14: Reasons for interest in food and beverage with cannabis as an ingredient, January 2020

Women take their edibles seriously

Figure 15: Reasons for interest in food and beverage with cannabis as an ingredient, by gender January 2020

BUY THIS REPORT NOW VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Young and fun

Figure 16: Reasons for interest in food and beverage with cannabis as an ingredient, by age January 2020

Easing into affluence

Figure 17: Reasons for interest in food and beverage with cannabis as an ingredient, by household income January 2020

Reasons for Lack of Interest

Non-users are just not that into edibles

Figure 18: Reasons for lack of interest in food and beverages with cannabis, January 2020

Younger palates require more from cannabis

Figure 19: Reasons for lack of interest in food and beverages with cannabis, by age, January 2020

Disinterest tracks with lifestyle incompatibility

Figure 20: Reasons for Lack of Interest in food and beverages with cannabis, by income, January 2020

Product Features

Taste over THC

Figure 21: Important attributes in food and beverage with cannabis, January 2020

Women want more from edibles

Figure 22: Important attributes in food and beverage with cannabis, by gender, January 2020

You can't outdose bad taste

Figure 23: Important attributes in food and beverage with cannabis, by age, January 2020

Affluence influences product attributes

Figure 24: Important attributes in food and beverage with cannabis, by household income, January 2020

Talk about taste, but make it approachable

Figure 25: Important attributes in food and beverage with cannabis, by information source, January 2020

Taste tracks with adventurous eaters

Figure 26: Attitudes and behaviors related to food and drink choices, by important attributes in food and beverage with cannabis as an added ingredient, January 2020

Using beverages with cannabis as a replacement for alcohol $% \left(1\right) =\left(1\right) \left(1\right) \left$

Figure 27: Attitudes and beliefs about cannabis in beverages - CHAID - Tree output, January 2020

Purchase Location

Cannabis requires specialization

Figure 28: Preferred purchase location for food and beverage with cannabis as an ingredient, January 2020

$Women\ emphasize\ specialization,\ medicalization$

Figure 29: Preferred purchase location for food and beverage with cannabis as an ingredient, by gender, January 2020

Youth open to on-premise

Figure 30: Preferred purchase location for food and beverage with cannabis as an ingredient, by age, January 2020

Traditional retail appeals to affluence

Figure 31: Preferred purchase location for food and beverage with cannabis as an ingredient, by household income, January 2020

Edibles require expertise

Figure 32: Preferred purchase location for food and beverage with cannabis as an ingredient, by product attributes, January 2020

Pricing provides baseline for strong products



VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £3254.83 | \$4395.00 | €3662.99

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 33: TURF Analysis - Product features, January 2020

Food Attitudes

Cultivate interest by emphasizing safety

Figure 34: Attitudes about food with cannabis as an ingredient, January 2020

Expertise may build trust...

Figure 35: Attitudes about food with cannabis as an ingredient, by gender January 2020

Beverage Attitudes

Canna-beverages compete with adult beverages on multiple fronts

Figure 36: Attitudes about food with cannabis as an ingredient, by age, January 2020

Spirits, beer get more competition from cannabis

Figure 37: Attitudes about beverage with cannabis as an ingredient, by gender January 2020

Adult beverage trends will evolve with cannabis

Figure 38: Attitudes about beverage with cannabis as an ingredient, by age January 2020

Parents have an eye on beverages

Figure 39: Attitudes about beverage with cannabis as an ingredient, by parental status January 2020

Discovery

Cultivate interest through established authority.

Figure 40: Discovery of food and beverage with cannabis as an ingredient, January 2020

Women want personalization

Figure 41: Discovery of food and beverage with cannabis as an ingredient, by gender, January 2020

Youth more open to culinary cannabis

Figure 42: Discovery of food and beverage with cannabis as an ingredient, by age January 2020

Purchase and Trial

Consumer trust comes first

Figure 43: Behavior related to food and beverage with cannabis as an ingredient, January 2020

Women especially need to feel trust...

Figure 44: Behavior related to food and beverage with cannabis as an ingredient, by gender January 2020

Young consumers are trust seekers

Figure 45: Behavior related to food and beverage with cannabis as an ingredient, by age, January 2020

Appendix - Data Sources and Abbreviations

Data sources

Consumer survey data

CHAID

TURF

Abbreviations and terms

Abbreviations

Terms

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com