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# Marijuana Business Could Grow Bigger Than NFL

By Paul Ebeling  
October 28, 2014

A new report out from Greenwave Advisors, a “comprehensive research and financial [analysis](#) for the emerging legalized [marijuana](#) industry,” projects that legal [Marijuana](#) could be an industry with revenues of \$35-B by Y 2020 if [Marijuana](#) is legalized at the federal level. Greenwave note that this is a floor representing revenues in the 1st yr of countrywide legalization.

\$35-B represents more annual revenue than the NFL (currently \$10-B), and is on par with current revenues for the newspaper publishing industry (\$38-B) and the confectionary (candy) industry (\$34-B).

Greenwave arrived at its numbers by considering existing and likely [Marijuana markets](#), both Medical and Recreational in states that already have them, as well as states that appear likely to open up such [markets](#) by Y 2020.

Greenwave assumes 12 states plus Washington, DC will have legalized recreational [marijuana](#) in that time, with Medical [Marijuana markets](#) in 37 states. Currently 23 states have legalized Medical [Marijuana](#), and 2 have legalized the plant for recreational use.

Even without full federal legalization, Greenwave projects legal Marijuana revenues of \$21-B.

It's worth noting that there is some uncertainty surrounding these numbers, current estimates place the size of the US “black market” at anywhere from \$10 to 120-B.

Considering the legal Marijuana industry generated about \$1.53-B in revenues in 2013, according to industry research group Arcview Market Research, it is reasonable to assume there is strong growth potential between now and then. That potential has attracted investor interest, but enthusiasm remains constrained due to the uncertainties surrounding legal Marijuana.

The biggest uncertainty is the federal government's classification of Marijuana as a Schedule 1 substance, making it illegal for any use.

The Justice Department has so far taken a hands-off approach to legalization efforts in Washington State and Colorado. But depending on who takes the White House in Y 2016, or who Obama nominates for the Attorney General job until then, that situation could reverse [fast](#).

And the DEA still demonstrates occasional bursts of enthusiasm for raiding Medical Marijuana dispensaries.

Saturday the DEA raided 2 branches of the well-known Farmacy dispensary in the Los Angeles area. The dispensary has a reputation for being one of the “best-run in Los Angeles,” but that did not stop agents from seizing computers, cannabis and cash from the locations. The DEA has not yet given any reason for the raid.

In short there is [risk](#) involved in the Marijuana business, and [risk](#) makes investors cautious.

Regardless of the eventual legalization timeline we are looking at a good-sized industry that will generate a significant number of jobs and tax revenue.

The concern is that we will see an increase in societal harms associated with increased Cannabis use. But, these harms have failed to materialize even as states have liberalized that Marijuana laws over the past 10 yrs.

Saturday the Cato Institute released a working paper examining a variety of [social](#) and economic indicators in Colorado; Marijuana use rates, crime, drop out and graduation rates, alcohol use, fatal car crashes, and many others, and concluded that “changes in Colorado’s Cannabis policy have had minimal impact on Marijuana use and the outcomes sometimes associated with use.”

Contrary to the warnings by the Marijuana prohibitionists, legalization has so far been a non-event. The most discernable change in Colorado has come in the form of \$45-M in tax revenues YTD, high enough that the state government now must consider whether to refund some of it.

The Big Q: will the federal government will try to obstruct the growth of the new industry, or instead choose to help regulate it sensibly?

The Big A: likely it will be embraced by pols nationally, as what the people want.