

INDIANA'S CANNABIS LANDSCAPE



Defining Marijuana, Hemp, Cannabis, and Cannabinoids

Marijuana (sometimes referred to as cannabis) and hemp products come from the *Cannabis sativa L.* plant. The plant can have more than 100 different cannabinoids, including delta-9 THC — the main psychoactive component of the plant — and CBD. Under the 2018 federal Farm Bill, if these plants have 0.3% or less delta-9 THC, they are defined as hemp and not considered illegal under federal law. This has led to a proliferation of intoxicating hemp products that contain 0.3% or less delta-9 THC. It has also led to a rise in intoxicating cannabinoids synthesized from hemp-derived CBD (e.g., delta-8 THC). However, products with more than 0.4 mg of total THC per container are slated to be redefined as “marijuana” and thus illegal under federal law starting on Nov. 12, 2026. In this brief, we use the term cannabis when discussing marijuana.

It has been more than 50 years since Oregon became the first U.S. state to decriminalize possession of cannabis. Decriminalization does not make cannabis legal, but it does make possession of small amounts for personal consumption a non-criminal offense, typically like a traffic ticket. Most states have gone much further than decriminalizing cannabis and have legalized some form of cannabis supply. Today, roughly half of U.S. states allow legal supply and possession of recreational cannabis for adults ages 21 and older, and 40 states allow cannabis to be supplied and used for certain medical conditions.

[Policy conversations about cannabis regulation have been taking place in Indiana for the last several years.](#) As these discussions evolve in Indiana, the Richard M. Fairbanks Foundation commissioned RAND to conduct a study about the current scope of cannabis in Indiana. This summary captures key highlights from the full report.

THE AVAILABILITY OF CANNABIS IN INDIANA

Despite the state's restrictive cannabis laws, Indiana residents have relative ease of access to both intoxicating hemp products and cannabis.

Though policy conversations about the legalization of cannabis have intensified over the last several years in Indiana, possessing or supplying cannabis remains illegal both in Indiana and by federal law.

A 2022 analysis of state-level laws found Indiana to be the most restrictive state in the nation when it comes to cannabis.



The analysis evaluated 17 different factors, including whether cannabis is legal for medical or recreational use, penalties for possession, smoke-free laws, and more. However, intoxicating cannabinoids remain easily accessible in Indiana for two key reasons.

First, intoxicating hemp products are widely available throughout most of Indiana. The state has indicated that products with no more than 0.3% delta-9 THC are legal, but the synthesized products from hemp-derived CBD are not.

That said, enforcement related to possession or sales of these synthesized products has not been a priority for most state and local officials.

Second, most Hoosiers live within driving distance of a legal cannabis market, easing access to the drug. Forty-four percent of Indiana residents — nearly 3 million Hoosiers — live within a 50-mile drive of a licensed dispensary in a neighboring state of Illinois, Michigan, or Ohio, and 96% — 6.5 million individuals — live within a 100-mile drive.

44%

OF HOOSIERS LIVE WITHIN
A 50-MILE DRIVE OF A
LICENSED DISPENSARY



96%

OF HOOSIERS LIVE
WITHIN A 100-MILE DRIVE OF
A LICENSED DISPENSARY

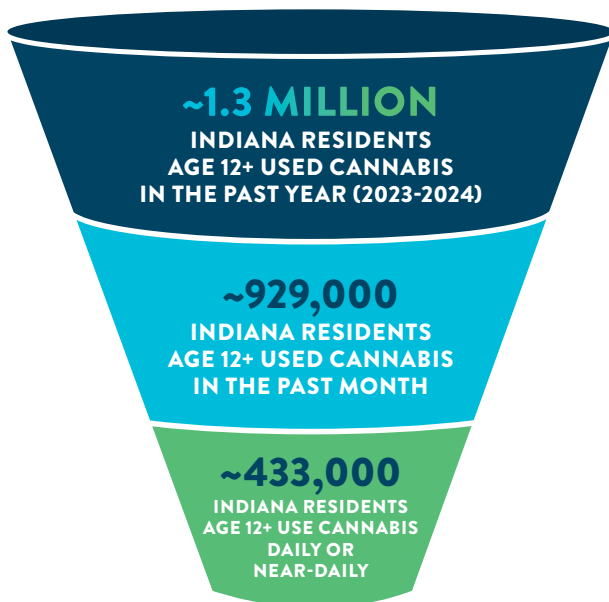


THE REACH OF CANNABIS IN INDIANA

Cannabis use among adults has been increasing consistently over the past decade, while arrests and treatment admissions have remained relatively stable since 2021. Annual spending on cannabis by Hoosiers approaches \$2 billion.

PREVALENCE OF USE

After being largely stable from the early 2000s to the 2010s, cannabis use has been increasing steadily for over a decade. In 2011-2012, 6% of Indiana residents ages 12 and older reported using cannabis in the past month. By 2023-2024, that rate had more than doubled to 16%. Since 2021-2022, there has been a particularly sharp increase among adults 26 and older. Cannabis use among youth (under age 18) has declined over the past decade.



13,250 CANNABIS ARRESTS IN 2024

FOR POSSESSION



OTHER CHARGES FILED



THE MAJORITY OF CHARGES WERE DROPPED OR NOT FILED

ARRESTS AND CRIMINAL JUSTICE

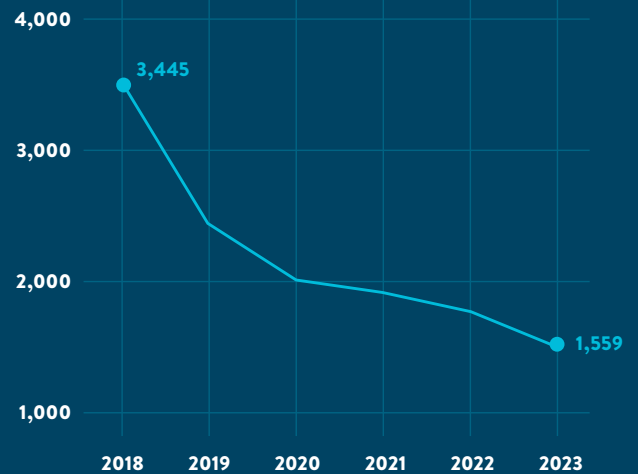
Cannabis arrests have varied over the past decade, but since 2020 they have hovered around 13,000 arrests per year. Of the 13,250 cannabis arrests that occurred in Indiana in 2024, more than 90% were for possession, not sales or production, and more than 75% of cannabis arrests involved another non-cannabis charge.

PUBLIC HEALTH

Admissions to substance use disorder treatment centers for which cannabis is the primary drug are one indicator of heavy or problematic cannabis use. In Indiana, admissions for most age groups have remained relatively steady over the past decade, though they have declined for adults ages 18 to 29, who account for the largest share of cannabis-related admissions.

However, cannabis-involved poison center calls in Indiana have increased over the past ten years, especially for young children. A decade ago, children ages 5 and under accounted for 4% of cannabis-related poison calls. In 2024, they accounted for nearly 40% of such calls.

ADULTS 18-29 ADMITTED FOR CANNABIS USE



NEARLY

40%

OF CANNABIS-RELATED POISON CALLS ARE FOR CHILDREN 5 AND UNDER



SPENDING & ECONOMIC IMPACT

Regardless of legality, cannabis represents a multi-billion-dollar market in Indiana. Most spending is from daily and near-daily users. Because of limited data on cannabis purchasing patterns, there is uncertainty surrounding the amount of money Hoosiers spend on cannabis each year. It likely ranges from \$1.2 billion to \$2.6 billion annually, with a best estimate at approximately \$1.8 billion in total annual spending.

\$1.8B
TOTAL ANNUAL SPENDING

