

THE

FUTURE OF

SOCIALISING

What's next for
the dry economy?

High&Dry x **KAM**
STUDIO

July 2024

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Introduction

Partnering with KAM, creators of the Low+No: Drinking Differently Report, we've conducted a unique survey speaking to both UK and US consumers, alongside research from users of Leafie in the UK and The Tricycle Day in the US, tapping into insights from thousands of engaged consumers on both sides of the Atlantic.

In the last decade, non-alcoholic beverages have skyrocketed from obscurity to mainstream. All while the alcohol industry is in decline.

What's the next big thing, or is it here and we're just not paying attention?

Global Trends (2012-2023)

- Low and No category: £2.1 to £9.8 billion
- Cannabis: £17.7 to £37 billion
- CBD: £1.4 to £16 billion
- Functional Mushrooms: £2.6 to £24 billion

Now, with functional mushrooms, adaptogens, nootropics, and CBD entering FMCG brands, we're asking: When will psilocybin and THC hit our shelves? The shift extends beyond products – consider the changing dynamics of UK hospitality and consumer social preferences.

In the US, 37 states have legalised medicinal cannabis, 2 states have embraced therapeutic psilocybin, and more substances are on the horizon. Germany opened up its legal cannabis market in April this year. Switzerland opens its first dispensaries in 2024 and trials continue in Holland and Ireland to decriminalise possession. Change is coming.

Our Mission

Our mission? Empower businesses to seize this opportunity by assessing consumer demand, predicting evolution, and understanding the industry. The report, featuring expert opinions and a beginner's guide, is your key to navigating this transformative era.

Predictions

This report contains the views and predictions of Daniel Rowntree (Founder of High & Dry) and doesn't necessarily reflect the views of KAM.

Methodology

All data (unless stated otherwise) contained within this report was conducted exclusively by KAM, an independent insight consultancy, with samples of UK and US psychotropic-curious consumers.

All data was collected via online surveys with adults (+18) throughout February - March 2024. Respondents were sourced from two proprietary panel databases. Special thanks to Leafie for providing us with their database of UK consumers and Tricycle Day for their database of US consumers. The total research sample is 975 adult (+18) respondents, consisting of 552 UK and 423 US respondents. All respondents within the research subscribe to either the Leafie or Tricycle Day newsletters and, as thus, are defined as 'psychotropic-curious' for the purposes of this research report.



With the background of 20 years accelerating brands in the alcohol industry, we now have one eye on the future. We're on a mission to educate and inspire a generation of decision makers, innovators, investors, business owners and curious consumers about the dry economy and what comes next. We work with businesses to understand the opportunities and threats of what is yet to come, as the future of socialising continues to evolve.



KAM is dedicated to providing unparalleled research and analysis within the hospitality sector. Our mission is to equip our clients with profound insights to make informed, strategic choices that foster growth, innovation, and sustainability in their businesses. Together, we will drive real results and purposeful change. We can help you drive growth, make smarter decisions, and create memorable experiences. Get in touch with us today, and let's start a conversation that will shape the future of your business.



An independent, unbiased and accountable magazine providing information on cannabis, psychedelics and culture that you can trust. Launched in 2019, leafie is an independent media platform exploring cannabis, psychedelics and the cultural events that connect us all. By mixing educational and entertainment focused content, we have been meeting a growing demand for unbiased and trustworthy information on substances that have been unfairly vilified but are now being seen as tools for improved health and wellness.



Tricycle Day

Tricycle Day is a US-based, twice-weekly digital newsletter that offers original interviews and news roundups covering psychedelics research, policy, and business — and promises to make readers "smarter about psychedelics in under 10 minutes a week".

A Short History

Cannabis

Flowering plants from the Cannabaceae family. Originated in central Asia or Western China. The first documented use case dates back to 2800 BC.

Inside all Cannabis plants are different compounds called Cannabinoids. There are a few, 113 to be precise, but we are only going to focus on CBD & THC.

CBD (cannabidiol) - Is legal in the UK and we are starting to see it in mainstream brands, but it's tricky. It does not get you high or alter your mood. CBD is proposed to help with: insomnia, anxiety, relaxation, pain relief and heart health.

THC (tetrahydrocannabinol) - This one isn't legal in the UK. It is the main psychoactive compound in cannabis and is the foundation of recreational cannabis as it has the mood altering effect, depending on the strain.

Historical Use: Cannabis has been used for various purposes globally for millennia, with historical roots in both medicinal and recreational practices.

Criminalisation and Regulation: In the 20th century, influenced by international treaties, many countries, including the UK, criminalised cannabis due to concerns about its psychoactive effects and societal impact.

1971 Misuse of Drugs Act: In the UK, the Misuse of Drugs Act 1971 classified cannabis as a Class B drug, indicating illegal possession, supply, and production with penalties.

Medical Marijuana Legalisation: The UK witnessed a shift in approach in 2018 when medical marijuana was legalised for specific medical conditions, though access remains limited.

Recreational Legalisation: Currently, recreational cannabis remains illegal in the UK, but there are ongoing debates and calls for reconsideration.

Global Trends: Internationally, some countries, such as Canada and Uruguay, have legalised recreational cannabis, while others have adopted more permissive stances, influencing global discussions on cannabis policy.

Ongoing Changes: The legal landscape around cannabis continues to evolve globally and in the UK, with ongoing debates on medical access, decriminalisation, and potential shifts in attitudes toward recreational use.

A Short History

Psychedelics

From the Greek word for 'mind-manifesting', first coined by Humphry Osmond, a British psychiatrist in the 1950s, when describing his experiences with mescaline.

What are they? Depending on who you ask, the psychedelics are a boon to psychiatry, a menace to society, or a gateway to another realm. They are a collection of substances that alter your mood and perception. They include: Psilocybin (magic mushrooms), LSD, Ayahuasca, Mescaline, Peyote, Ibogaine, Ketamine and MDMA. For the purposes of this report we will be focusing on those that are being discussed with a view to being legalised and commercialised, which include: Psilocybin, MDMA and Ketamine

Ancient Use: Psychedelics like psilocybin mushrooms and peyote were historically used in religious rituals by indigenous cultures.

Discovery of LSD: Swiss chemist Albert Hofmann discovered LSD in 1938, marking the start of the modern era of psychedelics.

Psychedelic Research and Counterculture Movement: Psychedelics gained popularity in the 1950s and 1960s, with researchers exploring therapeutic potential, but recreational use and association with counterculture led to concerns.

Criminalisation and Schedule I Classification: Responding to perceived risks, governments criminalised psychedelics, classifying them as Schedule I substances, indicating high abuse potential and no accepted medical use.

Research Hiatus: Criminalisation halted scientific research on psychedelics, leading to a decades-long hiatus.

Psychedelic Renaissance: In the 21st century, there's been a renewed interest in studying psychedelics for therapeutic purposes, showing efficacy in treating mental health conditions.

Changing Legal Landscape: Some jurisdictions are reconsidering psychedelics' legal status, with examples like the decriminalization of psilocybin therapy in certain U.S. cities and the legalisation of regulated medical use in Oregon.

Market Overview

Global cannabis market

£36.73 billion in 2023, growing 22% CAGR

Global psychedelic market

£4.03 billion in 2023, growing 14.9% CAGR

Global CBD market

£16.11 billion in 2023, growing 18% CAGR

Global Functional Mushroom

£24.44 billion in 2023, growing 8.04%

Ketamine nasal spray from Johnson's and Johnson's to help with treatment resistant depression generated \$206 million in sales alone in 2023 with a run rate of \$825 million. The following are selected highlights of how some global beverage companies have been working with psychotropics in recent years.



- **Constellation Brands:** Invested in Canopy Growth, a Canadian cannabis producer
- **Molson Coors Brewing Company:** Partnered with Hydropothecary, a Canadian cannabis producer, to explore opportunities in the non-alcoholic cannabis beverage market
- **Heineken:** Launched Hi-Fi Hops, a THC-infused beverage available at select medical marijuana dispensaries in California through its American brand Lagunitas
- **Pabst Brewing Company:** Launched Pabst Labs, a subsidiary focused on developing non-alcoholic cannabis-infused beverages
- **Southern Glazer's Wine & Spirits:** Partnered with Aphria, a Canadian cannabis producer, to distribute Aphria's cannabis products in the United States
- **Anheuser-Busch InBev:** Exploring opportunities through its venture capital arm, ZX Ventures, and has invested in Tilray, a Canadian cannabis producer
- **Diageo:** Entered into a joint venture with Constellation Brands to research and develop cannabis-infused beverages
- **Bacardi:** Partnered with Acreage Holdings, a U.S. cannabis company, to develop cannabis-infused beverages
- **Sazerac:** Acquired a 10% stake in High Times, a cannabis media company
- **Beam Suntory:** Acquired a minority stake in Canopy Growth, the same Canadian cannabis producer that Constellation Brands has invested in
- **MillerCoors:** Exploring opportunities through its venture capital arm, Tenth Street Ventures, and has invested in Acreage Holdings, the same U.S. cannabis company that Bacardi partnered with

STATE OF THE NATION - US

The state of the nation for cannabis and psychedelics in the US, by High & Dry.

A short history

Key dates include the legalisation of medical cannabis in California in 1996, the legalisation of recreational cannabis in Colorado and Washington in 2012, and the FDA's approval of the first cannabis-derived medication, Epidiolex, in 2018. For psychedelics, the resurgence of research began in the early 2000s, with significant developments like Oregon decriminalising all drugs and legalising psilocybin therapy in 2020.

CBD: Current Situation

In the US, CBD is legal at the federal level, provided it contains less than 0.3% THC, following the 2018 Farm Bill. The CBD market is booming, with products like oils, gummies, and topicals being top sellers. CBD products are widely available in health stores, online, and even in some major retail chains.

Cannabis: Current Situation

Cannabis legality varies across the US. As of 2024, 23 states have legalised recreational cannabis, while 38 states permit medical use. The industry is significant, with legal sales reaching \$25 billion in 2021 and projected to exceed \$45 billion by 2025. Public support is strong, with over 68% of Americans favouring legalisation. Despite federal prohibition, there are ongoing efforts to pass comprehensive reform, including bills like the MORE Act and SAFE Banking Act.

Other Mood Altering Substances, including functional mushrooms

Functional mushrooms such as reishi, lion's mane, and chaga have long been used in traditional medicine and are now popular in the US for their health benefits. There are also more powerful psychoactive substances that are readily available in the US that are not legal in the UK e.g. Kratom, Kava, Melatonin (which is prescription). Brands are emerging that use these substances, and claim to be a direct replacement for alcohol e.g. Leilo that includes Kava and others such as Kin Euphorics that include Melatonin and claim to have the calming effects of a nightcap, again without the alcohol.

Psychedelics: Current Situation

Psychedelics are gaining traction for their potential to treat mental health issues. Research into substances like psilocybin, MDMA, and LSD has shown promising results for conditions like PTSD and depression. Cities like Denver and Oakland have decriminalised psilocybin, and Oregon has legalised psilocybin therapy. The FDA has granted "breakthrough therapy" status to psilocybin and MDMA, expediting their path to approval. Advocacy and research are pushing for broader acceptance and legal reform. From a recreational perspective the grey market is rife and there are many psilocybin mushroom brands and businesses operating in this space that look and act like standard FMCG brands we would recognise in retail today.

STATE OF THE NATION - UK

A look at the current psychotropic market in the UK by High & Dry

A short history

Cannabis and psychedelics, widely used in medicine until the 20th century, faced criminalisation in the 1930s (cannabis) and 1960s (psychedelics). The UK's Misuse of Drugs Act 1971 categorised them as controlled substances. Recent milestones include the 2018 legalisation of medical cannabis in the UK and a growing global movement towards legalisation and decriminalisation.

CBD: Current Situation and Top Selling Products in the UK

CBD, derived from cannabis, is legal and widely used in the UK for its therapeutic benefits. The market has seen a surge, with top-selling products including CBD drinks, oils, capsules, and topical creams. Popular brands like TRIP and Good Rays dominate the market, offering products aimed at overall wellness.

Cannabis: Current Situation

Medical cannabis was legalised in the UK in 2018, yet access remains limited with only 1,000 NHS prescriptions compared to 32,000 via private clinics. Recreational use remains illegal, but public support is strong, with 80% of Gen Z adults advocating for legalisation. This disparity fuels ongoing debates and advocacy for broader reform.

Other Mood Altering Substances, including functional mushrooms

Functional mushrooms like reishi, lion's mane, and chaga have been used in traditional medicine for centuries. In the UK, their popularity has surged due to their health benefits. Top-selling products include: Space Goods, Dirtea as well as the OG's of the category Four Signatic and also Mudwtr, from the US. These products are marketed for their immune-boosting and cognitive-enhancing properties. We are also seeing adaptogenic beers e.g. Impossibrew and Collider as well as spirits e.g. Senita and 3 Spirits. However, efficacy and dosage is a challenge.

Psychedelics: Current Situation

Psychedelics are gaining attention for their potential to treat mental health conditions. Despite being Schedule 1 substances, research is advancing, showing promising results for conditions like depression and PTSD (leafie). Advocacy for regulatory changes is growing, with significant public and scientific support for their therapeutic use (leafie).

STATE OF THE NATION - GERMANY

A look at Cannabis and Psychedelics in Germany by High & Dry

A short history

Germany has a complex history with cannabis and psychedelics, reflecting broader European trends. Cannabis was criminalised in the mid-20th century, but the medical use was legalised in 2017. Key dates include the 2017 law change allowing medical cannabis and the legalising recreational cannabis **April 1st 2024**. Psychedelics have been controlled substances since the 1970s, with renewed interest in their therapeutic potential emerging in recent years.

CBD: Current Situation and Top Selling Products in Germany

CBD is legal in Germany and widely used for its therapeutic properties. The market is expanding, with popular products including CBD oils, capsules, and skincare items. Leading brands like Nordic Oil and Cibdol offer products aimed at anxiety relief, pain management, and overall wellness. The regulatory environment supports CBD use, provided products contain less than 0.2% THC.

Cannabis: Current Situation

Medical cannabis is legal in Germany, with over 3.6 million patients using it for various conditions since 2017. The Cannabis Control Bill came into force on 1st April 2024, which means adults are permitted to possess 25g in public and 50g at home - you are also permitted to grow 3 plants at home for personal use. Cannabis Clubs of no more than 500 members will also be permitted from July 2024, they are permitted to collectively grow and distribute to members. Dispensary trials are also set to commence. A report estimated that legalising cannabis could generate €4 billion annually and create 27,000 jobs.

Other Mood Altering Substances, including functional mushrooms

Functional mushrooms, such as reishi, lion's mane, and chaga, have a long history in traditional medicine and are gaining popularity in Germany. They are used for their health benefits, including immune support and cognitive enhancement.

Psychedelics: Current Situation

Psychedelics, including psilocybin and LSD, are classified as Schedule I substances in Germany. However, recent research highlights their potential in treating mental health disorders like depression and PTSD. Advocacy for regulatory changes is growing, supported by scientific evidence and public interest. Researchers and policymakers are increasingly considering their controlled therapeutic use.

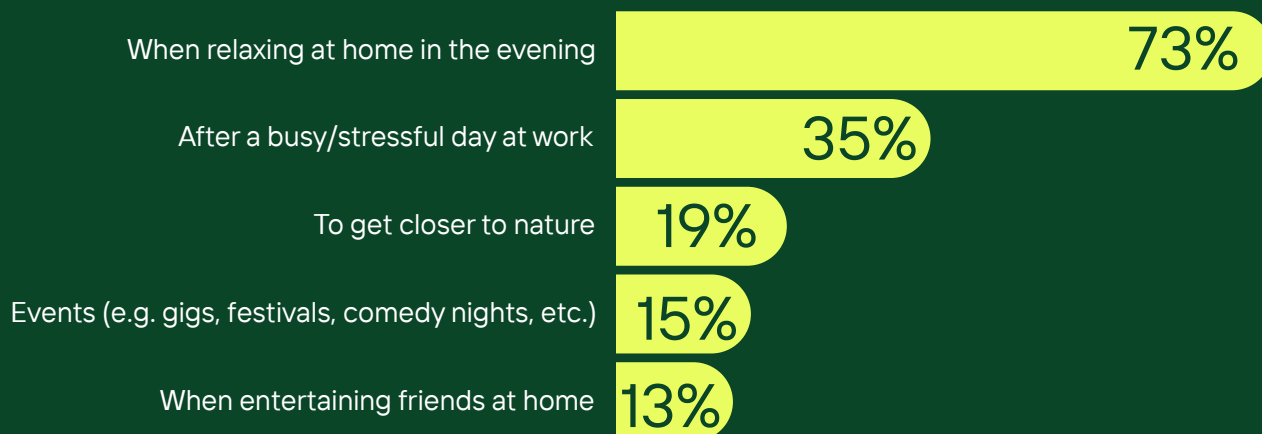
Motivations and Occasions

Relaxation and relief from anxiety are the main reasons that consumers in both the UK and US use psychotropics. In fact, many of the motivations and occasions that these substances are used for mirror the patterns traditionally associated with alcohol. The trend also shows that in a more developed market, the wellness aspect of the psychotropics is more appreciated.

Top occasions for psychotropic usage in the UK:



Top occasions for psychotropic usage in the US:



Alcohol consumption is in constant decline.

More people will choose to live a High and Dry Life.

Over the last 4 years, KAM data suggests a downward trajectory of how frequently UK adults are drinking alcohol. 2.6 million fewer UK adults are consuming alcohol on a weekly basis in 2023 than in 2021. As well as a steady decline in frequency of alcohol consumption, there has been a drop in the number of units consumed per week – with just 4.7 million Brits drinking more than the maximum recommended 14 units per week this year, compared with 8.3 million in 2021.

74%

of UK adults are doing things to ACTIVELY MODERATE their alcohol consumption to some extent in 2024. This equates to 38.8m adults

Thoughts for a 'High & Dry' future...

- Will we see events that do not have an alcohol license and only have the ability to sell cannabis in the future? In the US, 40% of psychotropic-curious consumers use THC on a night out.
- Awareness and education is paramount to the advancement of the industry (96% of psychotropic-curious consumers look for advice before purchasing).
- The black market is still a challenge in the US (27% psychotropic-curious consumers purchase from a dealer currently).
- When asked if their consumption of alcohol declined when taking Cannabis or Psychedelics, 58% of psychotropic-curious consumers said it did (UK), this rises to 70% in the US.
- Will a continual decline in alcohol consumption lead to a growth in consumers looking for alternative products for relaxation and socialising with friends?



At home consumption and socialising out of home

How will businesses evolve to accommodate new consumption habits?

A key driver will be the legalisation of other mood-altering substances other than alcohol. **58%** of UK psychotropic-curious consumers say their consumption of alcohol declined when taking Cannabis or Psychedelics, rising to **70%** in the US. Other mood-altering substances will become popular as education and understanding increases. **52%** of psychotropic-curious consumers use THC and **39%** are using Magic Mushrooms, to socialise with friends.

58%

of UK psychotropic-curious consumers say their consumption of alcohol declined when taking Cannabis or Psychedelics

A glimpse of things to come...

- **At home** - Will dinner parties ever be the same again? In the US where the grey market* for psilocybin is booming and THC is legal - magic mushroom chocolates (pictured) and THC liqueurs are common place (pictured).
- **On-Trade** - The Woods in West Hollywood, Los Angeles, USA (pictured). A dispensary and consumption lounge, equipped with cannabis-infused drinks ranging from low to maximum dosage, as well as non-medicated hot coffee, tea, sodas and water. It's a social space offering well-informed recommendations for all levels of cannabis knowledge and experience.
- **Off-trade** - There are currently more dispensaries in LA than there are Starbucks. There are a variety of retail experiences from low to high end.



*The grey market for cannabis and psychedelics in the US refers to the sale and distribution of these substances in a legal grey area, where activities might not be explicitly illegal but also lack full legal authorisation and regulation.

A new way to socialise and relax with friends

When THC is recreationally legal will consumers adopt en masse?

71% of UK psychotropic-curious consumers want to see THC legalised. 95% of those surveyed in the UK have already tried it or would try if it was legal. 60% of those would use it to help relax, and 52% to socialise with friends. THC drinks could become more popular than alcohol (77% in the US use THC for recreational purposes).

71%

of UK psychotropic-curious consumers want to see THC legalised.

Thoughts from High & Dry

- THC / adaptogenic drinks are coming to eat the lunch of beer and cider brands. The efficacy and understanding of the affects are now related back to the feeling of alcohol.
- This will affect all traditional industries including banking, logistics, storage, security, retail, on trade - are we ready?
- Will we see big alcohol companies pull away from full-strength towards Alcohol Free and other mood altering substances ?
- THC drinks although only available in 23 states are already a \$1 billion market*.
- In the US traditionally cannabis licenses had to sit independently to an alcohol license - however things are evolving.
- June 25th, 2024 saw the first THC seltzer served at a baseball game - Portland Pickles at home.
- Based on other states and countries time difference from a legalised medicinal market to a legal recreational market.
- High & Dry predicts that cannabis will be legalised in the UK by 2030.



USA Case study

BRĚZ

Microdosed cannabis & mushrooms in a can

Daniel Crocker, Head of Content Strategy, introduces us to this next-gen social tonic with an unparalleled effect. Currently only available in the USA.



Why did you launch your brand ?

Our mission at BRĚZ is to reduce human suffering and maximize human potential. We launched BRĚZ to provide customers with a powerful alcohol alternative that allows consumers to feel a calm euphoria without any of the negative effects of alcohol.

What makes you different ?

Two things that really define our product is our use of Lion's Mane and the taste. We use fruiting bodies lion's mane alongside THC + CBD, which creates a unique feeling of bliss and euphoria that is truly different from other cannabis beverage brands. What makes our taste stand out is not only the perfect combination of lemon and elderflower, but the fact that we use an emulsion that intentionally expresses the flavour of the cannabis flower, which adds a bitter/herbaceous bite that feels very similar to other adult beverages.

How is it going ?

BRĚZ is off to an incredible start. We just finished month 13 with \$1.9M in revenue, and are aiming to do over \$2M in June. We are rapidly expanding our team, and scaling distribution of our products through new channels like brick & mortar retail, TikTok Shop, and Amazon.

What are your thoughts on the legalisation of cannabis and psychedelics ?

At BRĚZ we believe the government should work towards policies that provide the easiest and safest access for consumers to get the compounds they want. We hope that through continued legislative efforts, education, and the results seen through products like BRĚZ, that we can shape a future regulatory environment that is less restrictive and more equitable for businesses and consumers in the conscious compound space. This is why BRĚZ chose to operate in the hemp-derived cannabinoid market to show that THC products can be safe and thrive when made more readily available.

The future of functional products

Consumers are understanding what to use CBD for, leading to a demand for a wider range of functional drinks and other products.

UK psychotropic-curious consumers are finally getting that CBD is used for medicinal reasons (96% have tried or are considering it). 56% of those use it to help relax, 54% to improve sleep, and 43% to help anxiety. The average CBD usage in the UK, amongst these consumers, is 1.8 times per week.

96%

of UK psychotropic-curious consumers have tried CBD, or are considering it.

Thoughts from High & Dry

- CBD (and THC if made legal), will be further accepted as an aid for anxiety and depression.
- Could this see the decrease in demand for coffee and an increase in other adaptogens and nootropics ?
- Further research into the efficacy of certain compounds, could this lead to slowing the adoption curve, as happened early this year when the FSA recommended no more than 10mg as CBD, as a safe dosage.
- Brands that have been built online using DTC will be available in mainstream retail and the on trade, e.g. Space Goods, Impossibrew, PerfectTed, Collider - will we see more diverse ranges as the amount totally alcohol free, and moderating consumers increases?



Trip drinks available in Stonegate venues (UK)

A PERFECT MATCHA	
Iced Strawberry Matcha Latte	3.40
A refreshing, vibrant twist on a matcha latte (150ml)	
Iced Vanilla Matcha Latte (200ml)	3.20
Iced Matcha Latte (150ml)	4.10
Ginger Oat Matcha Latte	4.60
A velvety oat matcha latte with a warm hint of ginger (150ml)	
Vanilla Matcha Latte (150ml)	4.00
Matcha Latte (150ml)	3.80

In partnership with

Perfect Ted in cocktails at Loungers bars (UK)



Collider, adaptogenic, digital first, batch beer business (UK)

USA Case study

Magic Cactus

A modern beverage with real, functional ingredients

Jonny Locarno, Founder, introduces us to the drink crafted for those looking for a non-toxic buzz with benefits. Currently only available in the USA.



What makes you different ?

A brand with a clear purpose from day one; and a product with real juices, functional adaptogens & electrolytes, and a first-of-its-kind cannabinoid ratio (2-4-6) all of which work together to unlock a uniquely high-quality, clear-headed drinking experience.

How is it going ?

Great! We're ecstatic about the overwhelmingly positive response since our launch. We have a unique purpose for bringing this brand to market, and initially, I wasn't sure how public I wanted to be with my personal backstory. However, after receiving constant heartfelt messages, DMs, emails, and texts from others with similar experiences, I'm glad I did. It's created a loyal community of people who share the same vision for a brand like this, which extends far beyond just "THC in a can."

What are your thoughts on the legalisation of cannabis and psychedelics ?

The legalization of cannabis and psychedelics represents a pivotal shift in public health policy and consumer preferences. For cannabis, and especially low-dose hemp beverages, legalization and wider availability has provided safer access and significantly reduced the stigma around THC. However, it's unfortunate that gray-area regulations have turned the greater THC industry into a turf war between cannabis and hemp. We're hoping for more guidance and infrastructure for hemp / low-dose products, and think there's a logical opportunity to think of the regulatory landscape like we did with alcohol: high-potency (cannabis) products as "liquor & spirits," and low-dose (hemp) products as "beer & wine." Regarding psychedelics, while we are not experts in this industry, the momentum around their legalization, particularly for therapeutic use, is grounded in robust scientific research demonstrating their potential to treat conditions like PTSD, depression, and anxiety. We support this direction as it aligns with our mission to offer safer, effective alternatives to traditional substances like alcohol and some highly addictive, synthetic pharmaceutical products that can do more harm than good.

The magic of functional mushrooms

UK consumers do not yet understand the power of functional mushrooms and there is a lot of space available for brands.

UK psychotropic-curious consumers do not yet understand functional mushrooms. 71% of them have never tried them – but would in the future. Functional mushrooms have a lot of white space and need a lot more category work.

71%

of UK psychotropic-curious consumers have never tried functional mushrooms.

Thoughts from High & Dry

- CBD and functional mushroom brands are best placed to make the most of changes in the legislation.
- Will we see brands actively championing the cause for change like we have in the US - see Supermush (functional mushroom brand based in LA) who support the Microdosing Collective, and who actively campaign for legislation change in the US ?
- We have seen US brands launch in the UK as the amount of **functionally curious consumers** increases.



Supermush, functional mushroom company - gummies, sprays and mints - active supporters of the Microdosing Collective



MUD/WTR - Adaptogenic, coffee replacement from the US, launched in the UK this year.

UK Case study

Good Rays

CBD infused products for people who want to improve their mental wellbeing.

Eoin Keenan, Founder, introduces us to Good Rays, available in the UK, supported by a community of mental wellbeing experts and advocates.



I've experienced anxiety from a relatively young age. Like many others, those periods clouded my mind and stopped me from living my 'best life'. I knew that mental wellbeing was the key, but it had always seemed complicated and unattainable to me. I wanted to explore natural solutions, like exercise, mindfulness and a better diet. There seemed to be endless products, brands and self-help gurus offering pseudo-scientific solutions to one of life's oldest problems.

This is when I found CBD. It almost seemed a bit too good to be true. How can the natural world be the solution to so many of life's problems? But it turns out this is not just any plant. This is the world's oldest and most misunderstood plant. Extensive scientific research revealed properties within CBD have been found to offer relief from stress, increase mental focus & clarity, offering natural energy as well as improving sleep, easing physical pain, inflammation, and muscle fatigue.

After a few weeks, I was getting a good night's sleep, waking up with energy, and feeling creative, with an overriding sense of clarity and calm that allowed me to get the best out of every day. I've spent the past decade studying the humble hemp plant, travelling across two continents from the rolling fields of California, British Columbia, and Colorado to find the most effective, highest quality ingredients, from sustainable sources.

Goodrays exists to help busy minds like mine find calm and clarity. We design and deliver the most exciting, effective and accessible CBD products for people who want to improve their mental wellbeing. We use the sum of our parts to create the country's most sustainable CBD brand and to launch mental wellbeing campaigns to drive positive change.

For too long, mental wellbeing has been ignored by the food and drink industry, dominated by high sugar, hard alcohol and ultra-processed foods. Goodrays aims to change that.



Information and insight is powering growth

We still have so much to do to educate ourselves about these substances, their uses and how best to apply them in our society.

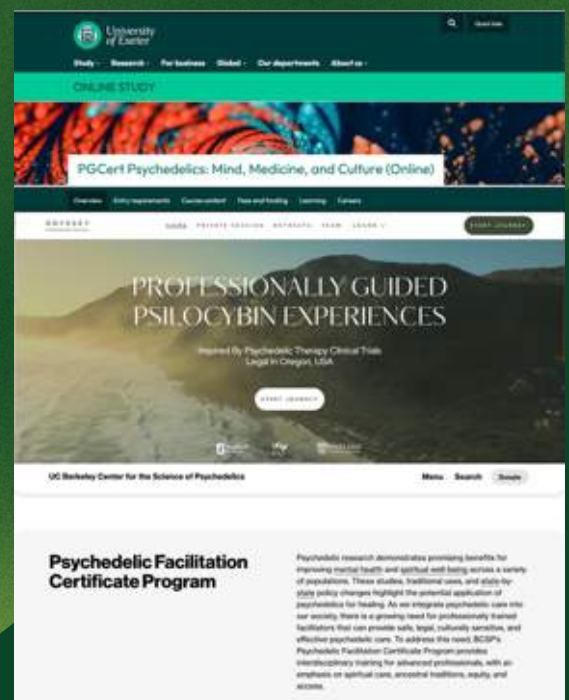
86% of UK psychotropic-curious consumers use these substances for recreational purposes, compared to the US where only 53% use them for recreational purposes. In the US the most popular usage is for mental health reasons (89%). Furthermore, 96% of UK psychotropic-curious consumers and 97% of US psychotropic-curious consumers actively seek advice before purchase.

86%

of UK psychotropic-curious consumers use them for recreational purposes.

Thoughts from High & Dry

- The power & benefits of THC/magic mushrooms/psilocybin is yet to be understood in the UK.
- In the US where the market is more established and some states have decriminalised and regulated a therapeutic market (Oregon and Colorado), consumers understand the therapeutic power of psilocybin.
- New jobs will be created in the UK, like they have been in the US and Germany. There are brand new roles for bud tenders, growers, psychedelic facilities, retreat management, and cultivation of mushrooms as well as traditional functions in Cannabis and Research businesses.
- Pictured are three examples of online University courses, in both the UK and US, focussed on the mind, medicinal and culture impacts and effects of psychotropics.



Gen Z are changing perceptions

Younger generations are more open to and understanding of the wider benefits of psychedelics compared to older generations.

Gen Z is all about breaking the mould, especially when it comes to cannabis. A whopping 80% of this generation in the UK is all for legalising weed, with 63% wanting it sold in licensed shops and 17% supporting unrestricted sales (source: Leafie). They're much more open to the idea compared to older generations. Interestingly, even though they're super supportive, only 8% of Gen Z reported using cannabis recently, compared to 16% of Gen X when they were the same age (source: Leafie).

Research from KAM, shows that overall optimism for the future has fallen, compared to 5 years ago. In 2023, just 52% of Gen Z said they were optimistic about the future v 80% back in 2019. The cost of living crisis, housing costs, climate change and securing a job are the top 4 concerns for this generation. The combination of a huge increase in the cost of living and housing, as well as the pandemic has led to a shift in priorities. Personal finances and mental health have become a top priority, as well as spending time with friends and family. 50% say that taking care of their mental health is important and a further 43% say they want to try new experiences. Two areas which may potentially be fuelling an interest in psychedelics.

When it comes to psychedelics, Gen Z is riding the wave of newfound interest. Thanks to social media, they're getting clued up on the benefits and safe use of substances like magic mushrooms. Showing how these psychedelics can help with mental health issues like anxiety and ADHD. It's not just about getting high; it's about enhancing their lifestyle in a mindful and stylish way.

50%

of Gen Z's say that taking care of their mental health is very important to them



Summary

At **High and Dry**, our mission is to inspire and educate UK decision-makers, innovators, business owners, and curious consumers on the trends that will forever shape the future of socialising.

We envision a world where living a **High and Dry Life** is not just a choice but a wellness movement—a mindful approach to altering our mood.

With further education, we anticipate a decrease in alcohol consumption and tighter restrictions. Humans have always sought ways to alter their state of mind, and it is no surprise that we are turning back to plants and fungi and looking further a field for answers and solutions that suit the move towards health and wellness.

How many of us will embrace a **High and Dry Life** in the next decade?

We acknowledge that there is a long journey ahead before we see a recreationally legal cannabis market and psychedelics accepted as legal mood-altering substances and used therapeutically to address mental health challenges.

However, the roadmap created by other countries shows us that change is possible, and we are now on that path. Younger generations are more open to change, while older policymakers hold onto outdated stereotypes. This generational divide highlights the urgent need for research and education to fully understand both the benefits and challenges of opening the market.

The objective of this report is to stimulate conversation and provide actionable insights that enable businesses to develop strategies that capitalise on opportunities and mitigate against threats.

If you find yourself with more questions than answers, or if you seek specific actionable insights, we invite you to book a **High and Dry Deep Dive Session**.

Let us help you understand what is possible for your business and validate your vision for the future.

Contact us today to embark on this transformative journey together.



Daniel Rowntree, Founder High & Dry

 Thank you!

GET IN TOUCH

[HTTPS://HIGHANDDRY.LIVE](https://highanddry.live)
HELLO@KAMINSIGHT.COM

