



CALIFORNIA



THE COUNTRY'S LARGEST CANNABIS MARKET



OVERVIEW:

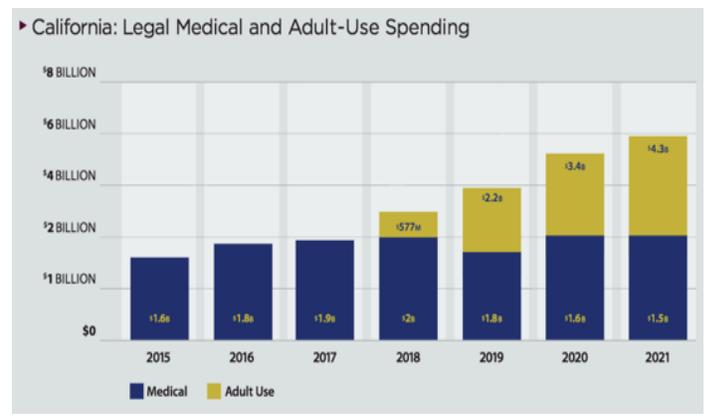
- In 1996, California became the **first** state to pass a medical cannabis ballot measure.
- California has the **largest** state cannabis market in the country (including all sales, whether state-legal or not), estimated at \$6.7 billion in 2016.
- It is expected that the Adult-Use of Marijuana Act (AUMA), which passed with nearly 56% of the vote in 2016, will add an estimated **\$1.4 billion** in revenues within the first year of a fully operational market.
 - This money will be used to establish driver protocols, study the “efficacy and adverse effects” of marijuana, study the implementation of AUMA each year, donate to youth drug education, and contribute to local government grants for training, law enforcement and public safety.

MARKET INFORMATION:

- The cannabis market was highly **unregulated** for nearly 20 years until the Medical Cannabis Regulation and Safety Act (MCRSA) was enacted in 2015.
- By 2021, the total legal spending on cannabis in California is expected to reach **\$5.8 billion**.
- As of January 1, 2018, adults over 21 can legally purchase cannabis at retail dispensaries with an “A” adult-use license.
- All retail sales of cannabis are subject to an additional **15% excise tax** and licensed commercial growers must pay a cultivation tax of \$9.25 per ounce on cannabis flowers (or \$2.75 on leaf).

REGULATORY ENVIRONMENT:

- Within the regulatory structures of the medical and adult-use cannabis programs, there are no fewer than six different regulatory bodies involved at the state level: Bureau of Marijuana Control of the Department of Consumer Affairs, Department of Food and Agriculture, Department of Public Health, Department of Pesticide Regulation, State Water Board, and the Department of Fish and Wildlife.
- Local jurisdictions have the ability to regulate cannabis (58 counties and 482 incorporated cities).



Data courtesy of The Arcview Group and BDS Analytics.

FOR MORE INFORMATION

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