

Study suggests state-licensed marijuana canopy enough to satisfy recreational and medical markets

13 May 2016, by Deborah Bach

The amount of marijuana allowed to be grown by state-licensed producers in Washington is enough to satisfy both the medical and recreational marijuana markets, a University of Washington study released today finds.

The state Liquor and Cannabis Board (LCB) tasked the UW-based Cannabis Law and Policy Project (CLPP) with calculating the "grow canopy," or square footage, required to supply the state's medical marijuana market as it becomes folded into the state's retail system, as required by the 2015 Cannabis Patient Protection Act. The group's report estimates that between 1.7 and 2 million square feet—or the equivalent of 30 to 34 football fields—of plants is needed to satisfy the medical marijuana market, and concludes that the 12.3 million square feet of canopy currently approved by the LCB is enough to supply the state's total marijuana market.

Medical marijuana dispensaries must either obtain a state license or close by July 1, 2016. Of the 343 retail stores licensed by the LCB, approximately 81 percent have sought endorsements to their license to sell marijuana to authorized medical patients.

"It was important to design this study the right way and engage in careful empirical research reaching out directly to medical dispensaries and growers across the state," said Sean O'Connor, principal investigator for the report, CLPP faculty director and Boeing International Professor at UW Law.

CLPP Executive Director Sam Mendez described the survey process: "There's no master list of these dispensaries, so we used a variety of resources to identify as many as possible. Once the survey was complete, we applied the findings to other published research regarding averages of marijuana output per square foot, outdoor and

indoor growing market share and amounts used for edibles and concentrates to reach our estimates."

The report found that:

- There were an estimated 273 medical marijuana dispensaries in Washington in January 2016
- Dispensaries sell an average of 9.55 pounds of marijuana flower monthly
- The average price of marijuana per gram sold by these dispensaries is less than \$10
- Marijuana flower comprises 60 percent of sales at dispensaries, followed by concentrates (22 percent) and edibles (18 percent)
- The potential market value based on 10 million square feet of canopy is more than \$8 billion

Determining the size of Washington's medical marijuana market was no easy task for the UW team, since dispensaries and collective gardens have gone mostly unregulated until recently. The UW researchers, which included five law students, started by compiling a list of possible Washington dispensaries using the databases of three websites—leafly.com, weedmaps.com and headshopfinder.com—among other sources. They came up with 467 possible contacts and called them for phone surveys in January and February 2016.

Interviewees were asked whether the dispensary grows its own marijuana, how much marijuana it sells, the average price of various products and what proportion of sales are flower, edibles, tinctures and concentrates, among other questions. Some refused to participate. Others did not appear to be affiliated with a dispensary or seemed to be out of business. The researchers also posted an

online survey, sending it to all applicants for recreational marijuana retail licenses and promoting it widely through social media. All told, they found 273 likely dispensaries.

A [report](#) released in December 2015 by BOTEK Analysis Corp. estimated that the state's marijuana market is divided roughly into thirds for medical, recreational and illicit use. Since February 2014, as an interim policy, the LCB has restricted marijuana producers to a single license. That decision will later be put into rule.

The Cannabis Law and Policy Project was launched in 2014 to provide thoughtful leadership on the responsible development of recreational and [medical marijuana](#) industries in Washington State and across the country. The group, which is based in the UW School of Law, but draws on experts in various other departments, focuses on advising the state on regulatory issues related to [marijuana](#).

Provided by University of Washington

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