



Flower: The Foundation of the Cannabis Industry

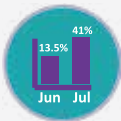
A Cannabis Intelligence Briefing Series Report



A Sampling of Key Insights*

Cultivators will be staying busy to meet the worldwide demand for dried flower, concentrates, edibles and other cannabis-derived products. The amount of cannabis needed to meet demand will grow at a 26.5% CAGR, from 2.1 million pounds in 2017 to 6.9 million pounds in 2022.

In California, sales of branded flower saw a significant jump in share since new packaging rules came into play. In July 2018, **41% of flower sales were branded**, up from only 13.5% in June of that year.



In line with consumer spending in 2018 the overwhelming majority of global cultivation **demand will be concentrated in North America** making up 95% of total demand, with 85% in the United States and 10% in Canada.



With more and more consumers joining the market, an estimated **61% of projected industry demand** in 2018 is in **adult-use channels**.



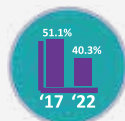
By 2022 flower demand in the **Canadian adult-use channel** will reach over **a million pounds** and medical demand just over 115,000 pounds.



In the three mature US adult-use markets - **Colorado, Oregon and Washington** - there are roughly **2,000 legally licensed growers**.



As consumers' preferences continue to shift to more sophisticated products like concentrates and edibles, the share of North American **spending going to flower will drop** from 51.1% in 2017 to 40.3% in 2022.



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