BDS Analytics' The State of the State California

CA

In December 2017 – the precipice point-in-time leading up to the launch of adult-use retail in the Golden State – more than 3,000 dispensaries and delivery operators were selling cannabis throughout California. Twelve months later (Dec 2018), due largely to regulatory, licensing and market conditions, the total number of retailers in the state now make up less than one-quarter of that number. The California market is ever-evolving, with more and more regulatory and testing hurdles playing out on a daily basis.

1 In December 2018, the California cannabis market featured 484 licensed dispensary locations, as well as 157 delivery operators, making up the total set of retailers BDS Analytics GreenEdge™ platform reports sales on in the state.

2 Total California 2018 sales were $2.51B. The next largest US legal market was Colorado with $1.57B. California was 60.3% larger than Colorado in 2018.

3 In December, cannabis sales at state licensed retailers and delivery services were $239M. Compared to the trailing month, sales in the California market increased by 5%. Compared to January, sales increased 109%.

4 In 2018, the top four categories based on percent of total sales in the California market were: Flower 37% ($930.9M), Concentrates 34% ($842.3M), Ingestibles 13% ($314.7M), and Pre-Rolled 8% ($194.8M).

5 Flower/bud generated $79.2M in sales in December, which contributed 33% to overall sales. In December, the average retail sales price for flower decreased 9% from the trailing month while the volume of flower sales increased by 13%.

6 Concentrates outsold flower in December with revenues of $87.5M. Concentrates were responsible for 37% of revenues for the month. Unit sales of concentrates increased by 7% from the prior month while the average retail price decreased by 1%.

7 Ingestibles (previously referred to as edibles) sales in December were $42.5M, a 7% increase from November. The volume of ingestible products sold was 8% more than in the trailing month while the average retail price per unit declined nearly 1%.

8 In 2018, ingestibles generated $410.8M in sales in licensed dispensaries and delivery services, a 33% increase in sales compared to 2017.

9 Within the ingestibles category in 2018, candy was the largest subcategory with sales of $158.8M (39% of all ingestibles sales); tinctures placed 2nd with $92M (24%); coming in 3rd were chocolates with $56.8M (14%).

10 Colorado was the 2nd biggest US legal market in December 2018 ($136.4M), with California coming in at 75% larger by revenue.

BDS Analytics GreenEdge™

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