This report uses state data to provide an updated view and assessment of Colorado’s marijuana market and improves upon the original 2014 market study methods. It is part of the state’s continuous efforts to monitor a comprehensive marijuana regulatory framework, specifically as it relates to implementation of a responsible production management model as directed by statute. In addition, MED provides this information to improve market transparency and to inform decision makers about the status of Colorado’s marketplace.

In first-of-its-kind methodology, the study authors developed a measure called “flower equivalent,” which allows for a proper comparison of supply, demand, potency and pricing across different product types such as flower, edibles and concentrates.

In 2017, regulated cultivators in Colorado harvested and packaged 340.7 metric tons of flower equivalent. Figures comprised in this number include 301.7 metric tons of demand represented by actual sales to consumers, 34 metric tons represents inventory on the shelf and six metric tons of residual marijuana.

*It’s important to understand the difference between actual demand (reflected through sales to the consumer) and consumption estimate (determined through survey responses, demographics and pre-existing literature). Consumption estimate may not account for at-home inventory, may underestimate visitor consumption, may not fully account for rising market share of edibles in addition to legally purchased marijuana illegally crossing state lines.

Meeting Resident and Visitor Demand
Colorado’s regulated marijuana market is meeting resident and visitor demand. Actual demand* is 301.7 metric tons, while consumption estimate* is 208.1 metric tons.

Competitive Market
Colorado remains a highly competitive marketplace for businesses. The team found that the largest 10 operators accounted for 23.1% of total market sales in 2017.

Market Share
The market share for marijuana flower has declined while demand for non-flower products (such as edibles and concentrates) continues to take a greater share of overall marijuana sales.

Improved Licensee Compliance
Residual marijuana has significantly decreased over the last three years, which suggests improved licensee compliance.

Production Management
Marijuana cultivators aren’t utilizing the maximum authorized plant count allocations. The state’s flexible regulatory framework allows the state to effectively monitor production management to prevent oversupply.

Changes in Price
Prices are highest in regions with a limited number of adult-use marijuana stores, which suggests competition is a more important factor for regional pricing than tourist demand. Overall, price for flower has declined slowly, while price of a standard serving of THC measurement unique to this study has declined more rapidly.
REGULATED MARKET IS MEETING resident and visitor DEMAND.

2017 MARIJUANA DEMAND BASED ON SALES
Flower Equivalent

- Flower: 61.8%
- Concentrate: 27.3%
- Trim: 5.7%
- Infused Edibles: 4.9%
- Infused Nonedibles: 0.3%
- TOTAL: 100%

301.7 Metric Tons

TOP 10 OPERATORS
23.1% OF TOTAL MARKET
HIGHLY COMPETITIVE MARKET

2017 TOTAL PLANT NUMBERS
- Medical: 322,819
- Adult Use: 675,005

PRODUCT TYPE MARKET SHARE COMPARISON

2014
- Flower: 74.5%
- Edibles: 66.1%
- Concentrate: 14.7%
- Trim: 14.6%
- Infused Edibles: 7.5%
- Infused Nonedibles: 4.3%

2017
- Flower: 61.2%
- Edibles: 54.1%
- Concentrate: 28.3%
- Trim: 23.4%
- Infused Edibles: 8.8%