

# Economic Development and Retail Cannabis In Oregon

*Presented by:  
Casey Houlihan*

*Executive Director, Oregon Retailers of  
Cannabis Association*

*& PNW Development, BDS Analytics*



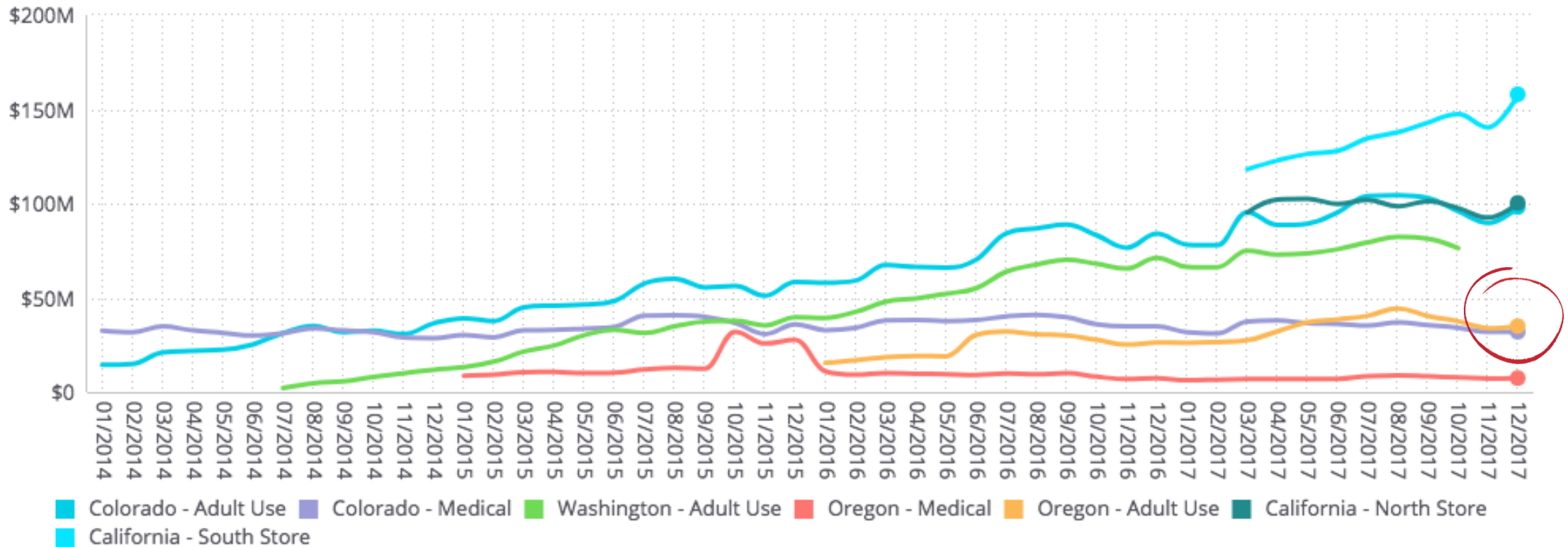
# Overall Legalization Is A Great Success!

- Millions in new revenue raised for schools, public health, and public safety
- Sales are now regulated, requiring photo ID
- Products are now tested for safety and potency
- Thousands of new jobs created (and subsequently, more income taxes)
- Profits from sales go to business owners rather than criminals



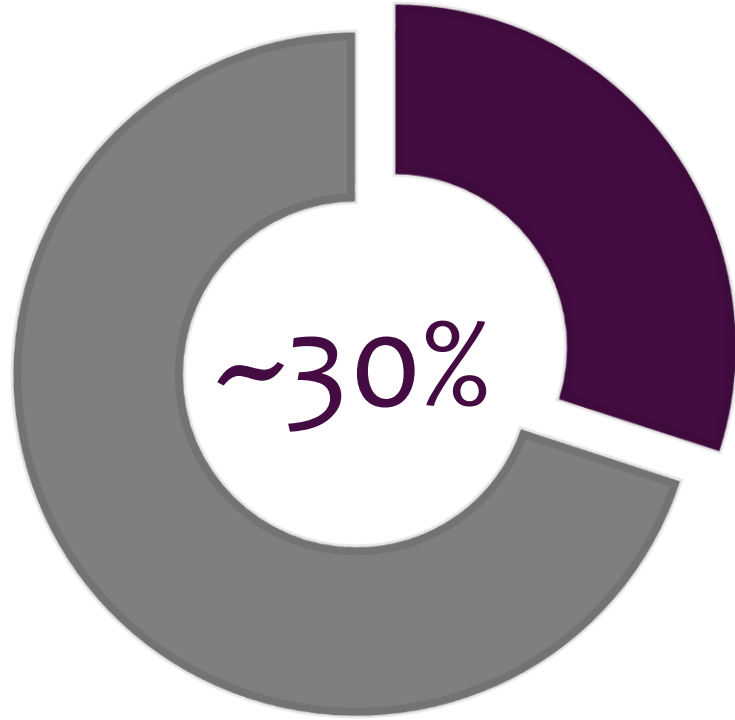
# Strong market growth in CO, WA, OR, and CA

Sales by Month



Data Provided By





...of adults 21+ in CA, CO, OR, & WA have consumed cannabis within the past six months

~35% Acceptors—would consider in the future

~35% Rejecters—would not consider in the future

BDS Analytics Consumer Research across CA, CO, WA, OR among state representative sample of adults 21+  
Market sizing data is based on total weighted sample.



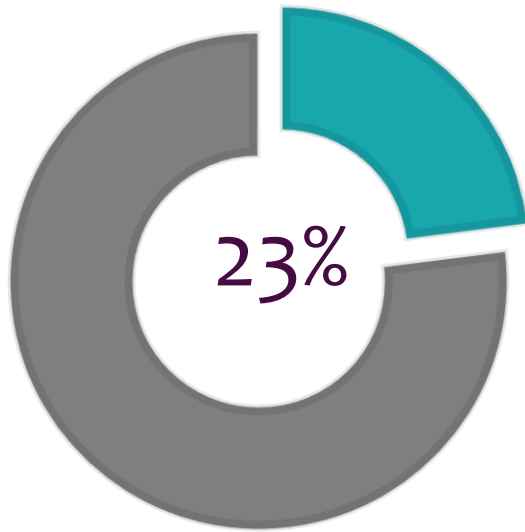
©2017 BDS Analytics

Data Provided By

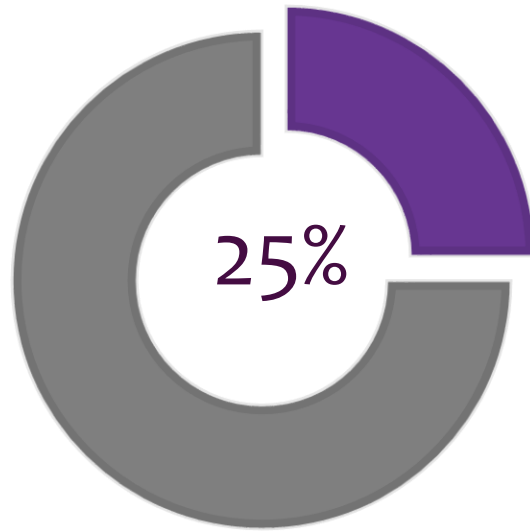




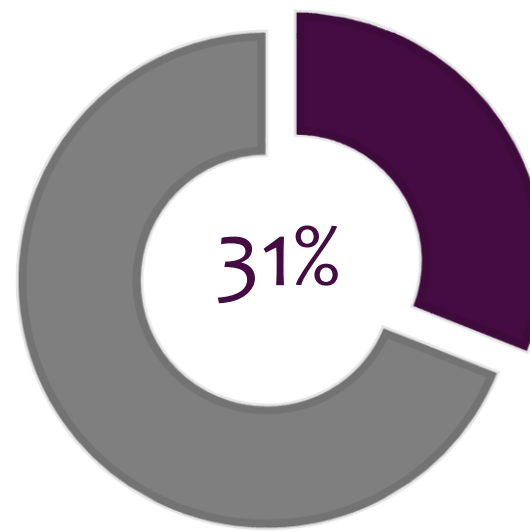
# Percent of Adults 21+ who have consumed in the Past 6 Months:



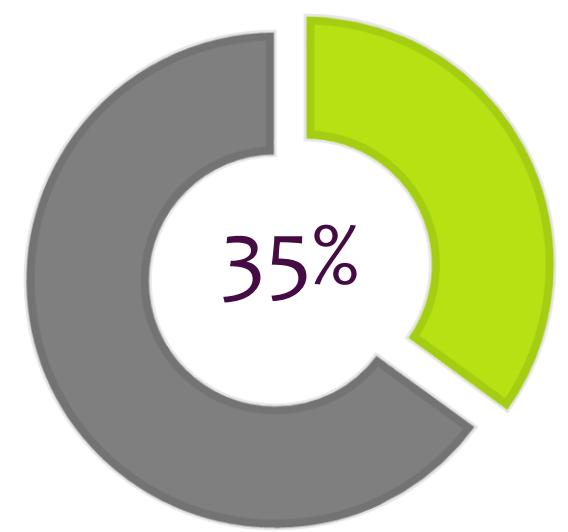
California



Colorado



Washington



Oregon

BDS Analytics Consumer Research across CA, CO, WA, OR among state representative sample of adults 21+  
Market sizing data is based on total weighted sample.



# Getting To Know The Cannabis Consumer



**54%**

Work  
Full-time



**43%**

Live in  
Cities



**36%**

Are  
Very Social



**54%**

Are  
Creative



**67%**

Are  
Outdoorsy



**53%**

Spend More \$  
for Quality



**49%**

Like to Try New  
Products



**48%**

More Satisfied  
with Life



Data Provided By



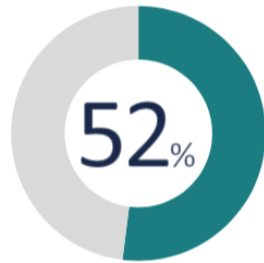
# Getting To Know The Cannabis Consumer

Primary motives for consuming vary and are multi-faceted

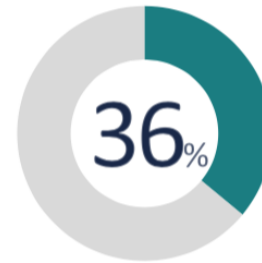
Recreational and social



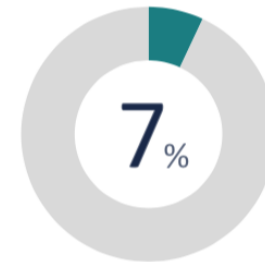
Health or medical



Quality of life



For something else



**27%**

CONSUME FOR BOTH MEDICINAL AND  
RECREATIONAL PURPOSES



Data Provided By





# There is no one Cannabis Consumer

We see segments emerging..

- Soccer Moms, Aging Boomers, Mindful Millennials, New Adopters, and more

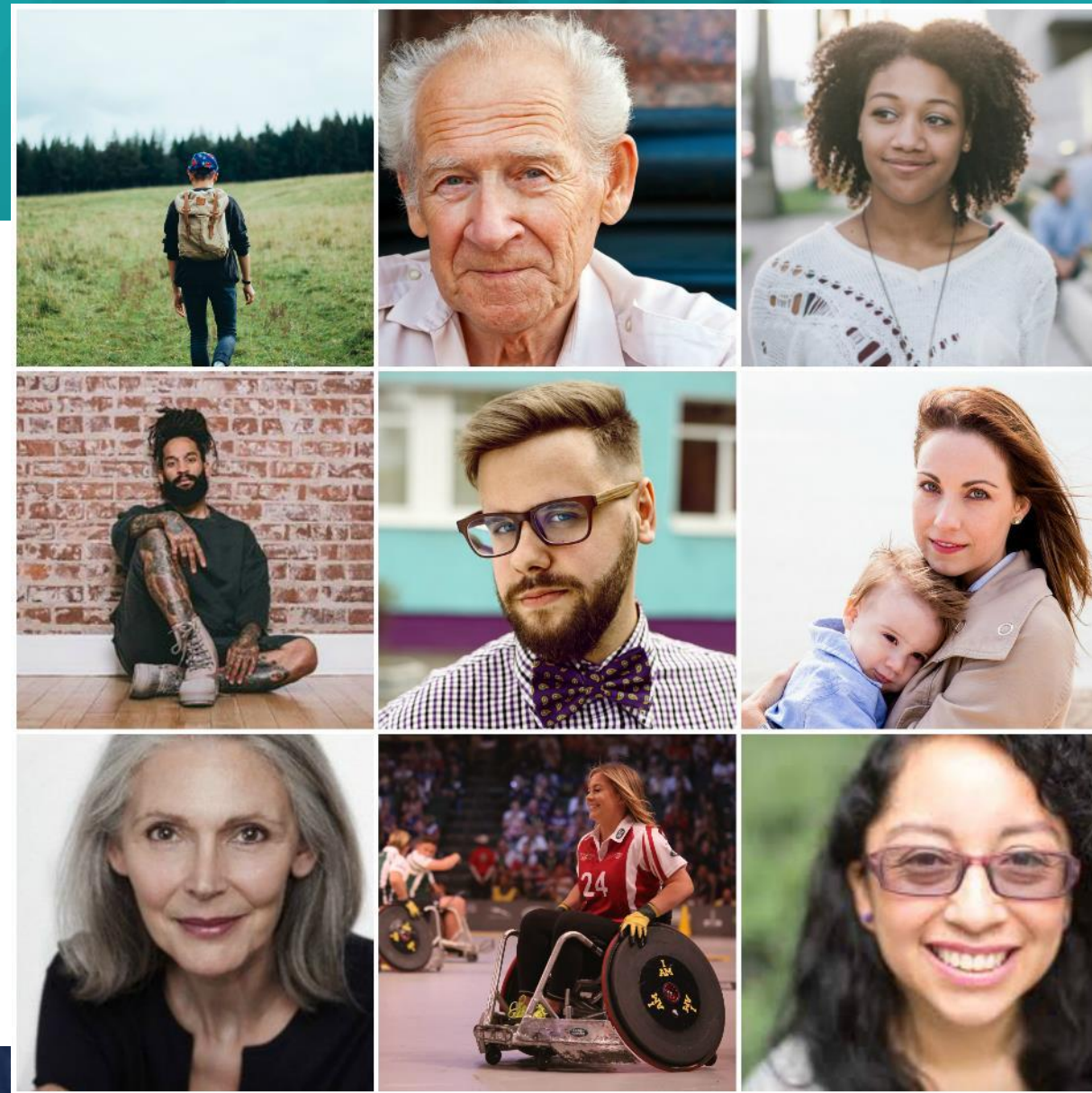
Motivation driving differences...

- Recreational—Relaxation, Socializing, Sex
- Medical—Pain, Anxiety, Stress, Sleep

Who people are driving cannabis product choice...

- Premium / Luxury / Economy brand buyers
- Alternative medicine consumers
- Sports and fitness consumers

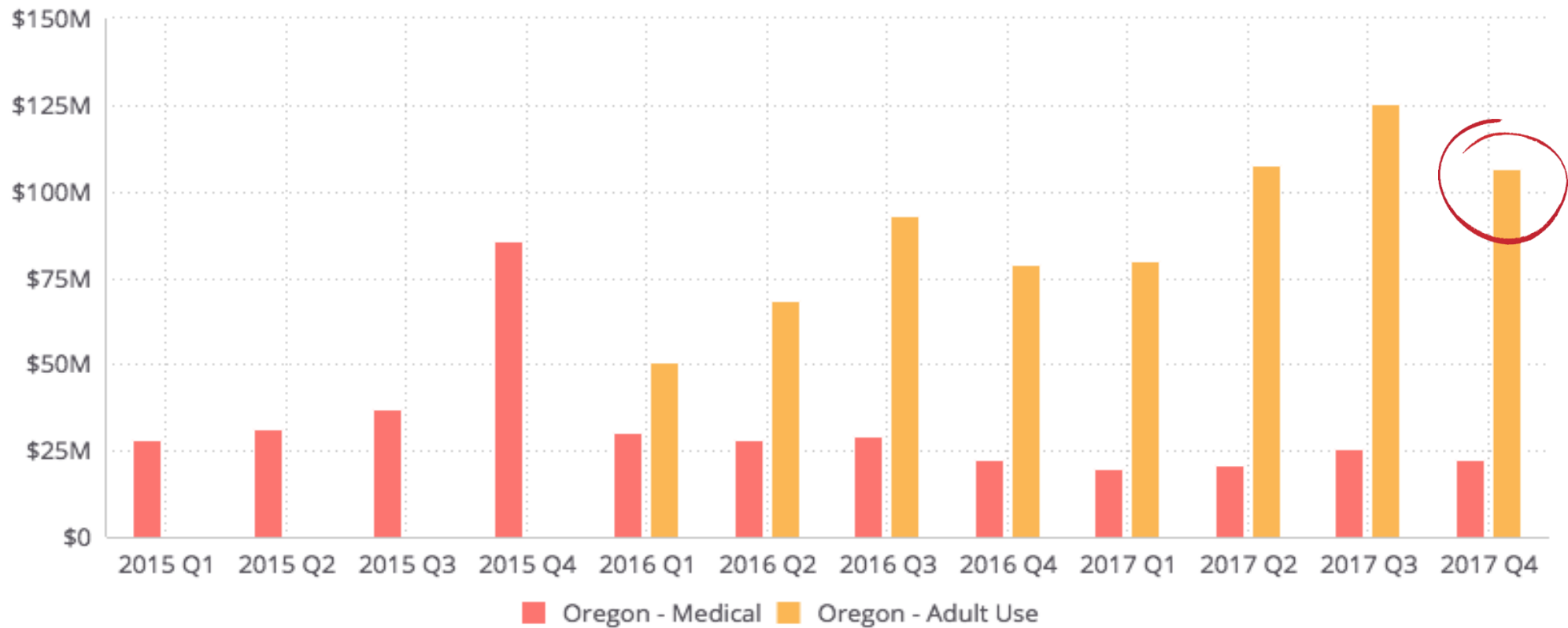
MANY more typologies emerging and evolving





# Oregon Adult Use Market Picks up Steam in 2017

Dollars Sales by Channel

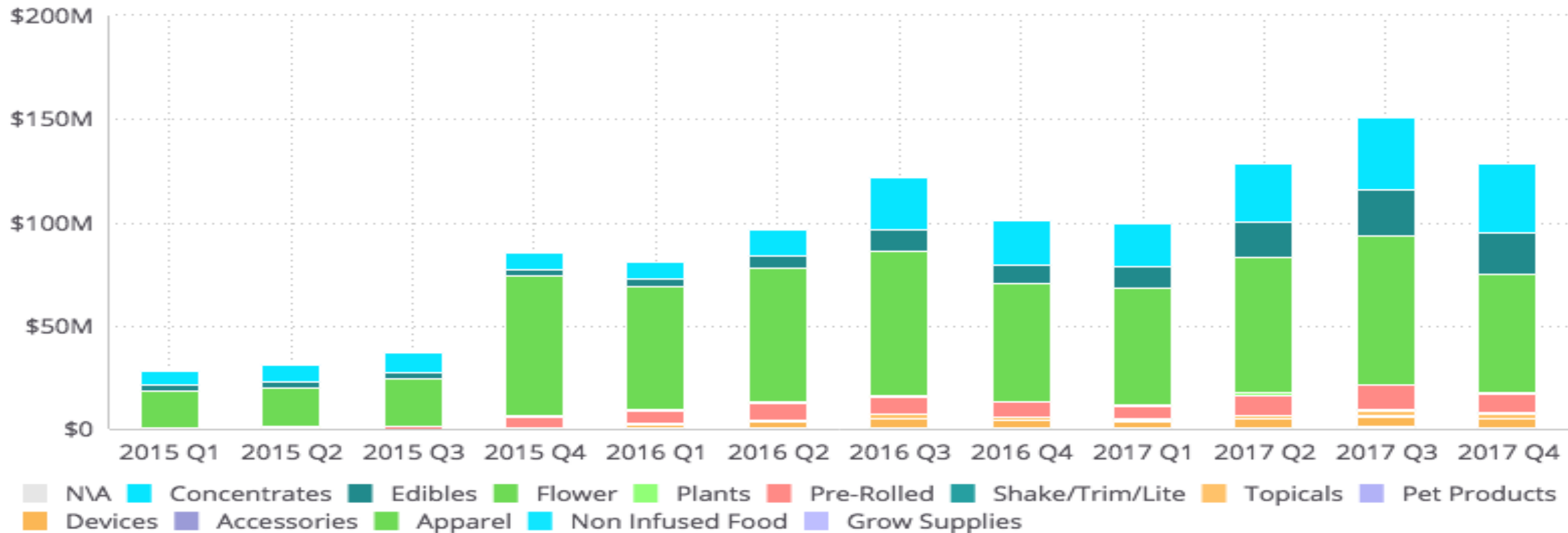


Data Provided By



# Alternative Ingestion Methods Gain Traction

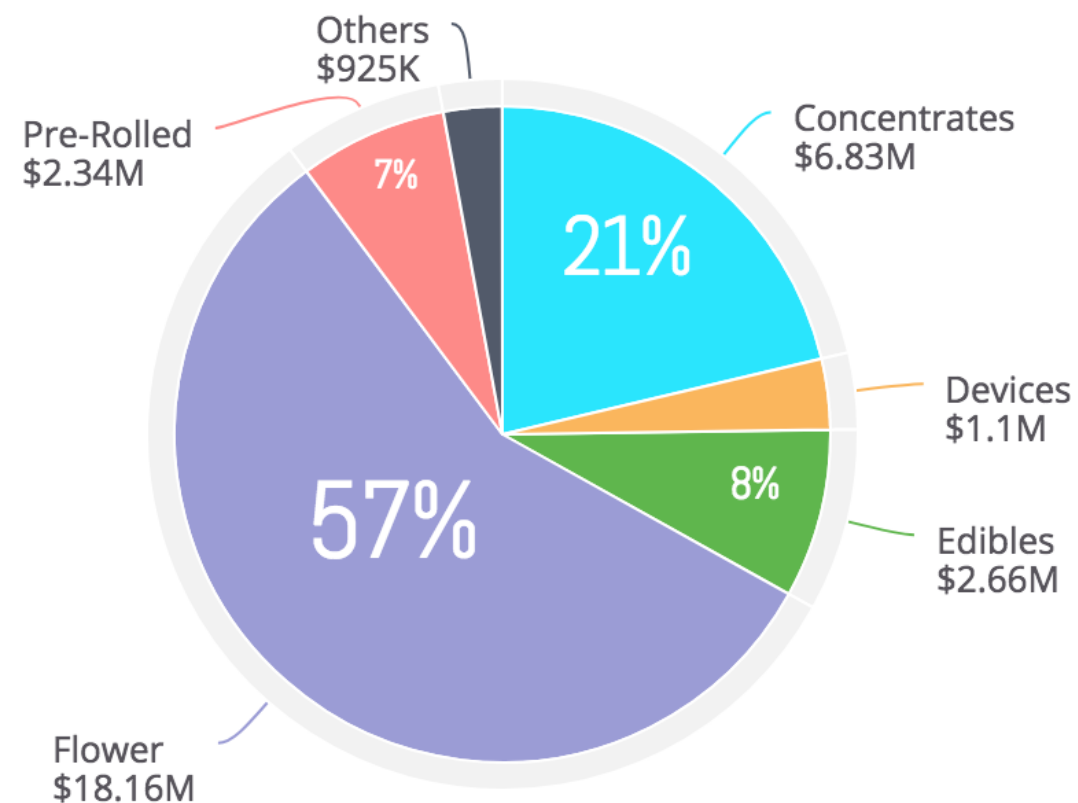
Sales by Quarter



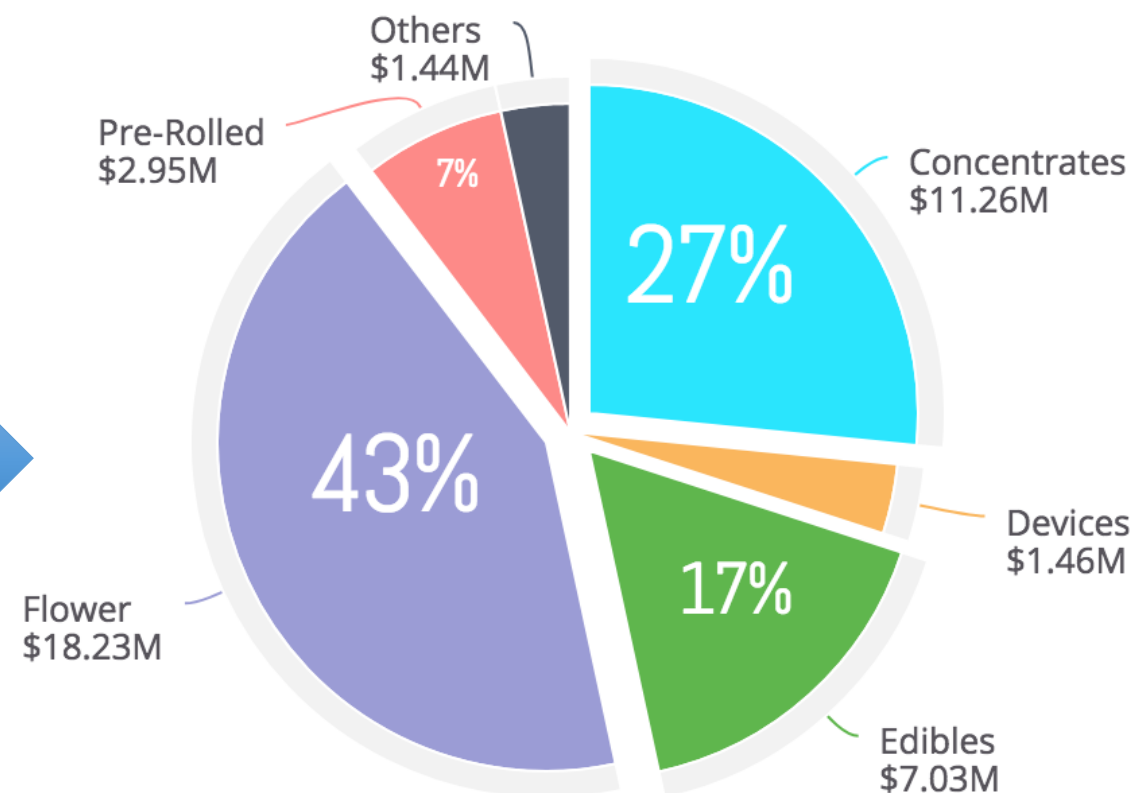
Data Provided By



# Flower Share Trending Down



**Oregon Sales By Category, Nov 2016**



**Oregon Sales By Category, Dec 2017**



Data Provided By





# Flower Prices Trending Down, But Volume Is Up

## December 2017 Flower Sales

Dollars Sold

**\$21.18M**

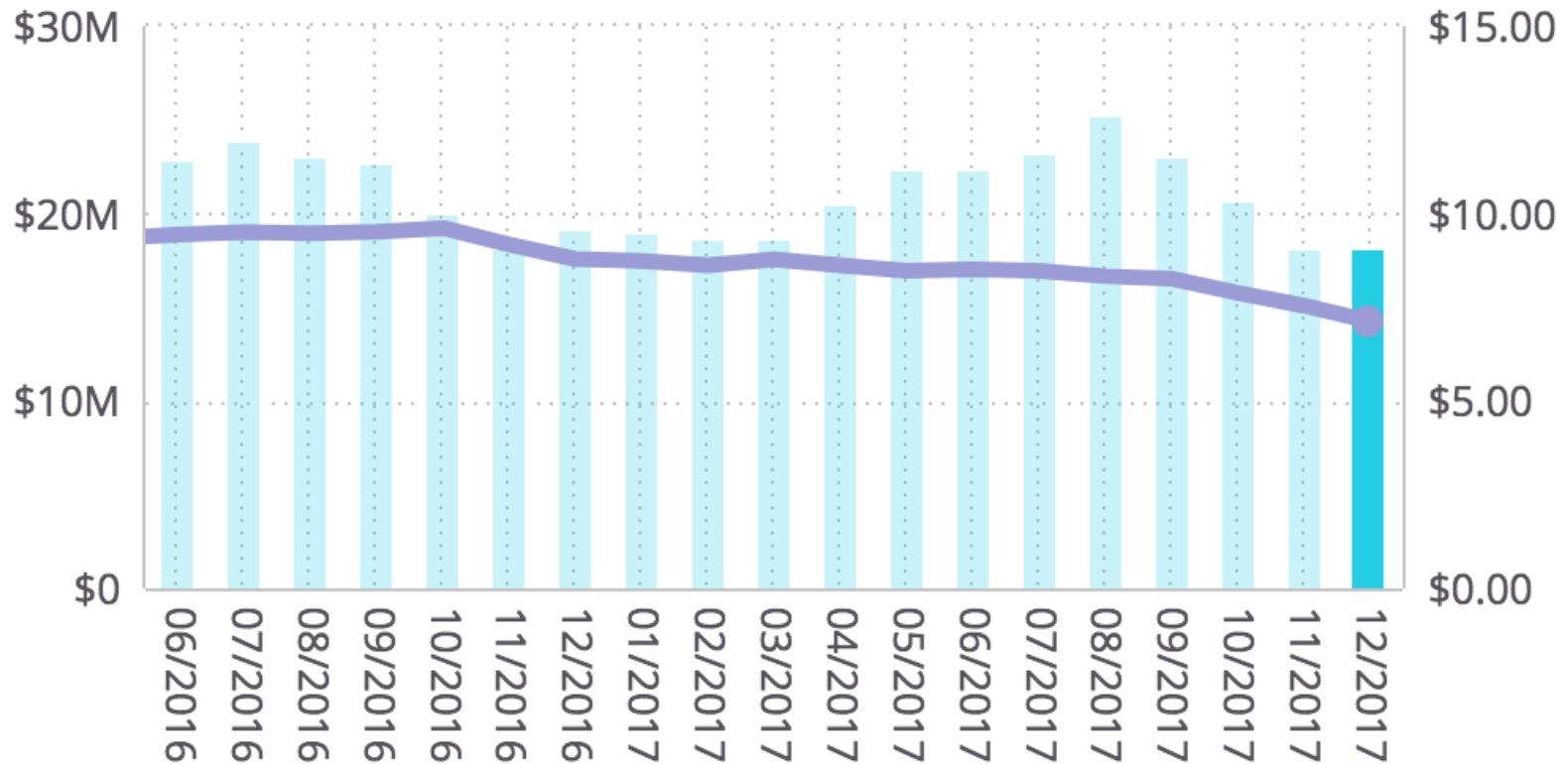
GrowthPastYear(Dollars Sold1) -1.64%

Units/ Grams

**3.00M**

GrowthPastYear(Units/ Grams) 18.95%

Monthly Dollar Sales and Average Selling Price - OR



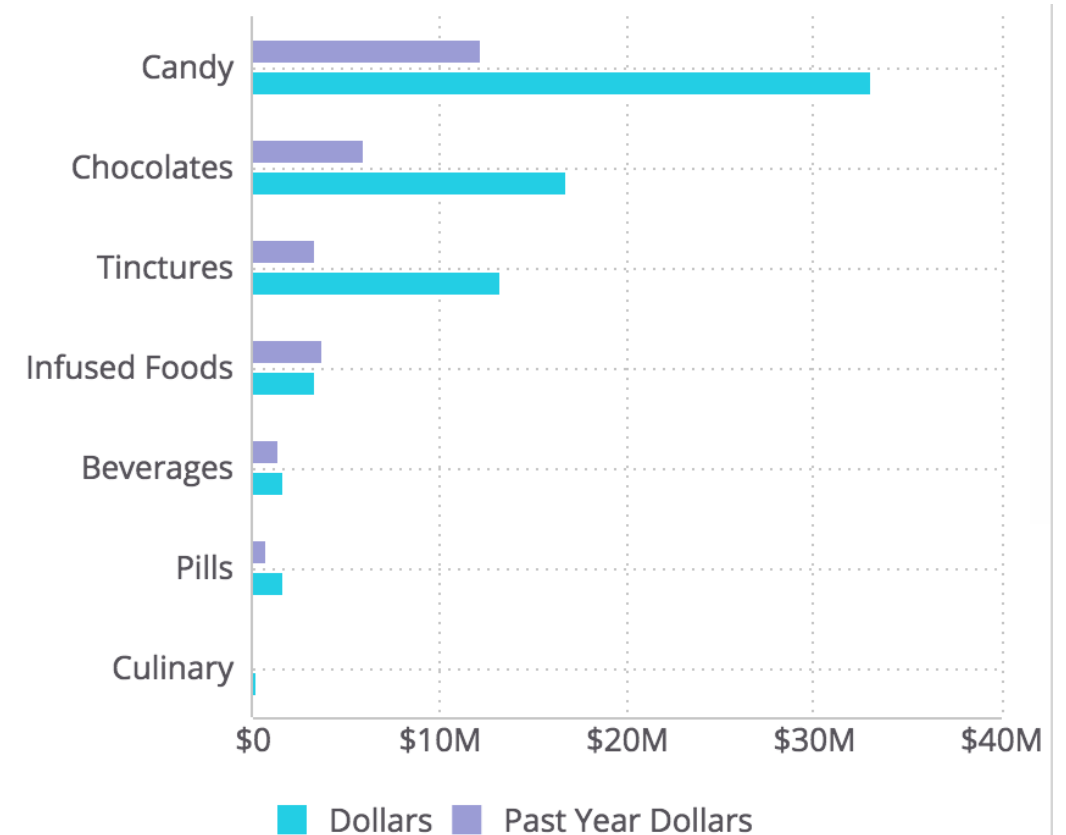
Data Provided By



# New Innovation and Branding Driving Growth

Category	December Sales	Growth from November 2017	Growth from December 2016
Flower:	\$18.3M	Flat	-5%
Pre-Rolls:	\$3M	-1%	27%
Concentrates:	\$11.3M	5%	61%
• Live Resin:	\$405K	3%	87%
• Oils:	\$717K	8%	33%
• Shatter:	\$729K	-15%	-10%
• Vape:	\$7.8M	6%	90%
• Wax:	\$176K	-6%	239%
Edibles:	\$7M	9%	142%
• Beverages:	\$162K	15%	205%
• Candy:	\$3.5M	9%	200%
• Chocolates:	\$1.3M	13%	29%
• Infused Foods:	\$312K	4%	39%
• Pills:	\$185K	8%	177%
• Tinctures:	\$1.5M	7%	329%
Topicals:	\$875K	17%	94%

*Dollar Sales, 2017 vs. 2016- Edibles by Super-class [OR]*



Data Provided By



# Product Trends to Watch



Pet Products



Pills/Tablets



Micro-Dose

Gummy Candy



High End Vape



Data Provided By





# Growing Our In-State Retail Cannabis Economy

- Increase Concentration Sizes on Edibles to 10mg per dose, and 100mg per package (like CO, CA, and WA)
- Employment protections for off-hours use [like ME]
- 'Food Grade' vs 'Inhalable Grade' Concentrates
- Curbing issues related to over-production and legal market saturation
- Non-criminal enforcement actions against illicit market dealers  
(as a means of reducing the share of 'off-license' in-state consumer sales)



# Statutory Reforms to Help Oregon's Industry

- Lower Sales Tax
- Uniformity in Lab Testing
- Social Consumption Venues
- Interstate Compacts For Exports
- Sampling Reform for Licensee Employees
- Eliminate Inter-licensee transportation restrictions
- Public Corporation for Secure Cash Deposits Statewide



# Thank you!

## Please contact us for more information or with any questions

Casey Houlihan — Executive Director, Oregon Retailers of Cannabis Association  
& PNW Development, BDS Analytics  
[casey@oregoncannabisretailers.com](mailto:casey@oregoncannabisretailers.com)  
971-770-0577



Data Provided By

