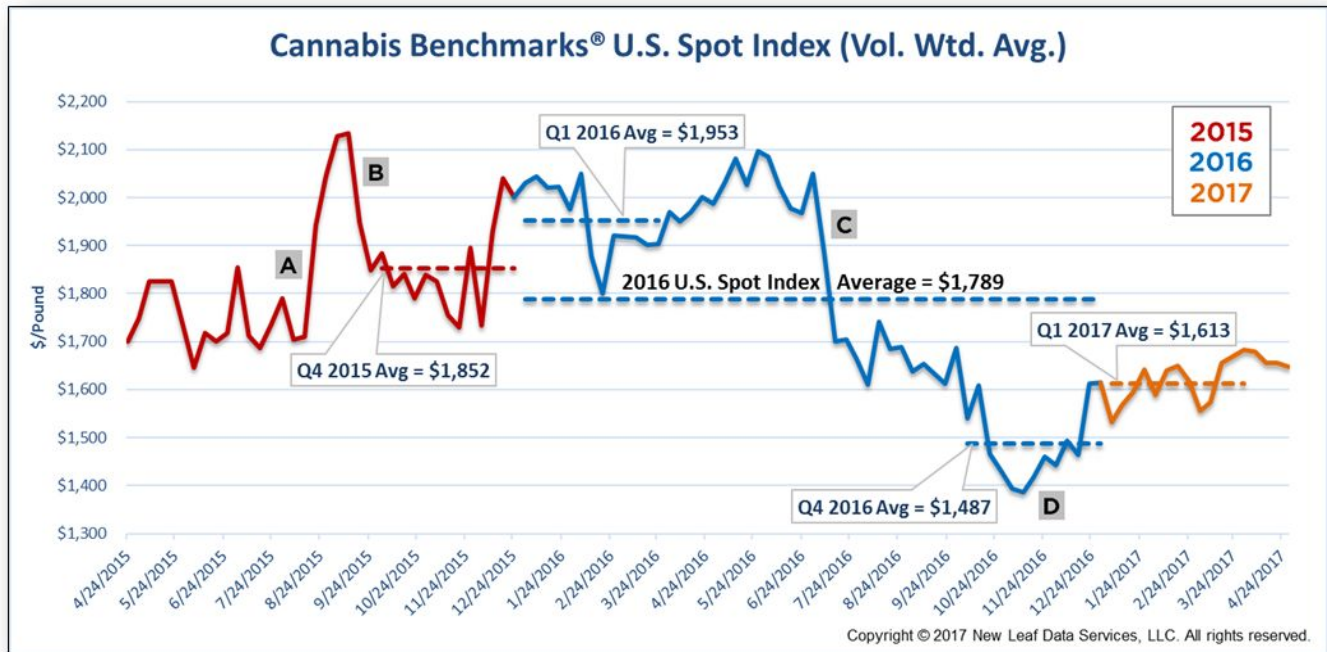


# CANNABIS BENCHMARKS®

April 2017 marked two years since the first wholesale cannabis price assessments were calculated and published by Cannabis Benchmarks®. As illustrated below, we identified, analyzed and reported on significant changes in wholesale market dynamics during this period.



**A.** Remaining inventories of sun-grown flower from the 2014 fall harvest were liquidated through the winter, spring and summer, ahead of the 2015 fall harvest, reducing supplies and driving a spike in prices. **In 2015, the U.S. Spot Index reached a peak of \$2,133 in September.**

**B.** The first supplies of the new outdoor harvest – dried and cured – entered the market, repeating the annual fall pricing cycle that had become the typical seasonal trend.

**C.** **In 2016, the U.S. Spot Index peaked at \$2,096 in May,** before more supply hit the market in the summer, coming from the proliferation of light-deprivation greenhouse cultivation on the west coast and Colorado. The price decline was compounded by sellers of sun-grown flower quickening the pace of their liquidation in order to lock in sales and beat the rush to the bottom.

**D.** In the fall, increased supplies from new and expanded capacity, as well as improved cultivation techniques and better supply chain management, drove prices to a low of \$1,386. **Year-on-year prices declined for two consecutive quarters,** with Q4 prices declining 19.7% to \$1,487 per pound during 2016, and Q1 prices declining 17.4% to \$1,613 per pound during 2017.