

December 6, 2016

Media Contact: Gretchen Gailey
(202) 489-3821 | ggailey@newfrontierdata.com

NEW REPORT: Arizona Marijuana Sales to Top \$681 Million by 2020 Despite Failure of Prop. 205

Washington – New Frontier Data, the cannabis Big Data and analytics authority, in partnership with Arcview Market Research, the leading publisher of cannabis market research has released its **Arizona Legal Cannabis Market State Profile**. Arizona’s medical cannabis market sales are expected to total \$367 million in 2016. Medical sales are projected to climb to \$681 million by 2020 with a compound annual growth rate of 17%.* This 2020 projection is approximately half the projected 2020 sales if Proposition 205 had passed on Election Night.

“If Prop. 205 had passed, the combined projected medical and adult use markets for 2020 would have totaled \$1.2 billion. Operators in Arizona would have seen a significant opportunity for growth, but now they must begin planning for a period of steep price declines, license holder consolidation, and intense competition in the market,” said New Frontier Data Founder & CEO Giadha DeCarcer.

“Almost any business owner or investor would be thrilled to be in a market with a 17% compound annual growth rate, until you consider that they were a few thousand votes away from having a growth rate double that,” said Troy Dayton, CEO of The Arcview Group.

Although Arizona was unable to pass the Arizona Marijuana Legalization Initiative in November 2016, the cannabis industry nationally made major gains with four states legalizing adult use and four states passing new medical use laws. Two of the four states that passed adult use regulations – California and Nevada - border Arizona, which may create regional competitive pressure in the short term, but increase pressure for adult use legalization in the medium term.

Five key areas shaping the growth and evolution of Arizona’s medical market are:

1. **Arizona’s hot climate** and the effect it will have on limiting outdoor cultivation and increasing costs of production for indoor and greenhouse cultivation
2. **Growth in competition in the medical market** will apply pressure on current medical dispensary license holders and increase the need for innovative solutions
3. **Market consolidation** will increase in the state as the industry continues to mature and operators fight for greater market share
4. **Cannabis diversion into Arizona** from neighboring cannabis for adult use markets in California, Colorado, and Nevada will increase the medical market’s competition against the illicit market
5. **Big Pharmaceuticals** get involved with a major donation to cannabis legalization opposition

If you would like more information on Arizona's legal cannabis market, you can download the **2016 Arizona Legal Cannabis Market State Profile** at <https://newfrontierdata.com/product/arizona/> and the report can be ordered for \$249.

*Market figures to be attributed to Arcview Market Research.

About New Frontier Data:

New Frontier Data provides objective, rigorous and comprehensive analysis and reporting for the nascent and underserved cannabis industry. New Frontier's data and reports have been cited in over 45 countries around the world to inform industry leaders. New Frontier, the premiere Big Data shop in the sector looks beyond the plant cultivation and distribution, to raise the industry bar and improve visibility into what will inevitably soon be a mature and more complex industry. Founded in 2014, New Frontier is headquartered in Washington, D.C. and has additional offices in Denver. For more information or media inquiries, please visit www.newfrontierdata.com or contact Gretchen Gailey at 202-489-3821 or ggailey@newfrontierdata.com.

About The Arcview Group:

Founded in 2010, The Arcview Group is responsible for a number of groundbreaking ventures in the cannabis industry. The ArcView Investor Network includes more than 600+ dues-paying accredited investors who have put more than \$87 million behind 135 companies. The next big members-only Arcview Investor Forum is scheduled for January 16-18 in Los Angeles, CA. [Arcview Market Research](#) produces the State of Legal Marijuana Markets report, which is the most oft-cited market report. Arcview is a partner in [Canopy](#), a seed-stage mentor-driven business accelerator. Arcview is also co-founder of [Cannasure Insurance Services](#), the leading provider of business insurance to the cannabis industry. For more info on The Arcview Group please visit www.arcviewgroup.com or contact Abby Benjamin at 720-518-7611.

###