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Adult Use Marijuana Initiative Passes in California Market Projected to Grow to \$7.6B by 2020

Washington – Voters have passed the California Legalization Marijuana Initiative, also known as Prop 64. New Frontier Data, the authority in cannabis Big Data analytics, in partnership with Arcview Market Research, are projecting the size of the total marijuana market in California to grow to \$7.6 billion by 2020.

“With the passage of adult use in California, the state has become the new epicenter of the legal cannabis industry. As both the oldest medical cannabis state and the largest cannabis consumer population, sales in California are projected to dwarf those of any other market. Additionally, the integration of California’s technology and marketing expertise will be enormously into the cannabis industry both domestically and internationally,” said New Frontier Data Founder & CEO Giadha DeCarcer.

“This is vote heard ‘round the world.’ The other states that have passed legalization are like pilot studies compared to the seismic shift in the market that legalizing marijuana in the 6th largest economy in the world will cause,” said Arcview CEO Troy Dayton.

California will account for one-third (35%) of the U.S. cannabis market by 2020, with estimates for total legal sales at \$7.6 billion. California’s medical market is projected to shrink slightly from an estimated \$3.31 billion in 2016 to \$3.29 billion by 2020, but it will remain the country’s largest due to the sheer size of the state. With passage of Prop 64, the combined medical and adult use markets are projected to grow at a compound annual rate of 23.0%; from \$3.31 billion in 2016 to \$7.58 billion by 2020. The adult use market will likely surpass the medical market for the first time after two years, with annual adult use sales projected to exceed \$4.2 billion by 2020.

The passage of the Medical Cannabis Regulation and Safety Act (MCRSA) in late 2015 was an effort to finally bring under regulatory control the country’s oldest and most loosely regulated medical cannabis program. With the passage of Prop 64, California will be the largest adult use market in the country. MCRSA and Prop 64 are both expected to be fully implemented by January 2018 with new rules that will have significant implications for current operators and for those seeking to enter the market, including new license categories, investor constrains, and product testing requirements.

The measure will create two new taxes, one levied on cultivation and the other on the retail price. Revenue from the taxes will be spent on drug research, treatment, and enforcement, health and safety grants addressing marijuana, youth programs, and preventing environmental damage resulting from illegal marijuana production.

About New Frontier:

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.frontierfinancials.com or contact Gretchen Gailey at 202-489-3821 or ggailey@frontierfinancials.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 500+ dues-paying accredited investors who have put more than \$74 million behind 130 companies. [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](#) Boulder, 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 information or media inquiries, please visit www.arcviewgroup.com or contact Abby Benjamin at 855-892-1951.

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