



2025

**Recreational Marijuana
Supply and Demand
Legislative Report**

Oregon Liquor and Cannabis Commission

February 1, 2025

Executive Summary

This is the fifth biennial *Supply and Demand Report for Oregon's Recreational Marijuana Market*. In 2014, voters passed Ballot Measure 91 legalizing recreational marijuana and the OLCC began issuing marijuana licenses in 2016. As a relatively new market, OLCC licensees have experienced numerous changes within a short time. Despite ongoing discussions about potential changes to federal law, marijuana remains federally illegal, restricting commerce to within state boundaries.

OLCC licenses producers based on indoor and outdoor cannabis growing and canopy size limitations. At the time of this report, there are 544 outdoor producers, 566 indoor producers and 263 producers with a mixture of indoor and outdoor production. Outdoor cannabis production is highly dependent on weather conditions, which vary significantly year to year. The 2024 harvest is the largest harvest to date with 5,735,796.24 lbs. of wet weight harvested, surpassing the 2021 harvest by 4%. The success of the 2024 harvest can be attributed to the ideal growing conditions in Southern Oregon, where there was minimal fire activity and precipitation started later in the season, along with higher rates of harvest activity by licensed producers.

In addition to harvest data the amount of marijuana products sold in pounds and units provides information on consumer purchasing patterns, particularly for usable marijuana. Total quantity of usable marijuana sold increased only slightly from 2021 to 2023 – by 2% in 2022 and 1% in 2023 (and 1% in 2021) – compared to an increase of 27% in 2020. However, in 2024, usable marijuana sold decreased 3%, making quantities sold for the year just slightly above totals seen in 2020.

Estimating the supply and demand ratio is important because it provides insight into the balance between the availability of marijuana products and the desire or need for the product. The impact of the oversupply of marijuana products led to the lowest price-point of usable marijuana retail median price-per-gram, while concentrates and extracts have a stable retail median price-per-gram due to the items being produced post-harvest and having a longer shelf life.

Currently, the OLCC estimates the wet weight equivalent of demand was 71% of actual annual supply in 2023 and 57% in 2024.

The Oregon recreational marijuana market has shown to be resilient and able to adapt to change but is continually disadvantaged by the marketplace being limited to Oregon. Year after year, supply has outpaced demand.

Until the federal government creates pathways to interstate commerce, the Oregon recreational marijuana market will be characterized by variations on the same theme: a competitive marketplace that features low prices for consumers but low margins for businesses. As we enter 2025, it remains to be seen how narrow the margins will be and how well the Oregon cannabis industry can operate within them.

To obtain a paper copy of this report, contact the Oregon Liquor and Cannabis Commission's Marijuana Program at marijuana@olcc.oregon.gov. Available online at OLCC's website under the [Reports](#) header –

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Introduction

Pursuant to ORS 475C.529, the Oregon Liquor and Cannabis Commission (OLCC), which licenses and regulates the production and sales of recreational marijuana in Oregon, must submit a report to the Legislative Assembly by February 1 of each odd-numbered year. The report must address the following:

the approximate amount of marijuana produced by marijuana producers that hold a license issued under ORS 475C.065 and the approximate amount of marijuana items sold by marijuana retailers that hold a license issued under ORS 475C.097, and whether the supply of marijuana in this state is commensurate with the demand for marijuana items in this state.

This is the fifth biennial *Supply and Demand Report for Oregon's Recreational Marijuana Market*. In 2014, voters passed Ballot Measure 91 legalizing recreational marijuana and the OLCC began issuing marijuana licenses in 2016. As a relatively new market, OLCC licensees have experienced numerous changes within a short time. Despite ongoing discussions about potential changes to federal law, marijuana remains federally illegal, restricting commerce to within state boundaries.

Many of the changes to the marijuana market in Oregon have taken form in licensing moratoria. Initially, Oregon had an open licensing system and licensing fees were very low compared to other states with recreational or medical marijuana markets. The moratoria are in place for varied reasons, including efforts to align supply with demand.

In 2019, the marijuana market faced the first moratorium on producer licenses with the passage of SB 218. In 2022, HB 4016 was passed, placing a moratorium on all marijuana licenses except laboratories and research certificates. HB 4016 backdated the moratorium so no new producers would be able to enter the market. In 2024, HB 4121 passed, changing the moratorium to a per capita licensing system.

Based on the per capita license limits, the Commission does not anticipate issuing additional producer or retail licenses for many years to come. It is important to note that current licensees can change their business structure and location, though depending on the level of change a new application and license may be required.

This report presents a historical snapshot of market conditions that we anticipate will continue to adjust as the market matures.

Summary of 2025 Market Conditions

OLCC licenses producers based on indoor and outdoor cannabis growing and canopy size limitations. At the time of this report, there are 544 outdoor producers, 566 indoor producers and 263 producers with a mixture of indoor and outdoor production. The data in the table below includes harvests from all producer types. The annual peaks in harvest are largely reflective of outdoor producers, who typically harvest in October, on top of year-round harvests from indoor producers.

Outdoor cannabis production is highly dependent on weather conditions, which vary significantly year to year. The 2024 harvest is the largest harvest to date with 5,735,796.24 lbs. of wet weight harvested, surpassing the 2021 harvest by 4% (see Figure 1). The success of the 2024 harvest can be attributed to

the ideal growing conditions in Southern Oregon, where there was minimal fire activity and precipitation started later in the season, along with higher rates of harvest activity by licensed producers.

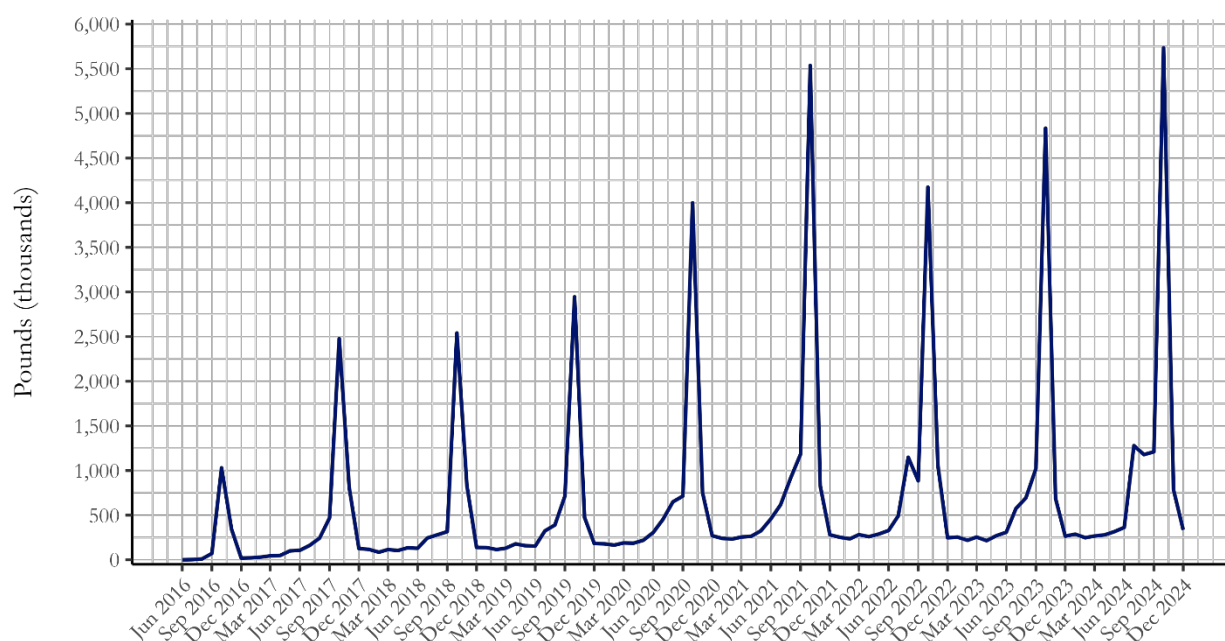


Figure 1: Wet Weight Harvested (pounds) by Month

Price-per-gram

Once harvested, cannabis can be sold as usable marijuana (also called “flower”) or further processed. Most of the harvest is sold to consumers as flower, but there is a market for concentrates, extracts, tinctures, and edible products.

Figure 2 shows a relatively stable retail median price-per-gram for extracts and concentrates since a slight bump during the COVID-19 pandemic. In 2023 and 2024, the retail median price-per-gram for extracts and concentrates was \$16.00. The stability in price can be attributed to these items being produced post-harvest, allowing production to align with demand. Additionally, extracts and concentrates are storable and shelf stable, allowing the product to be kept longer in wholesale and retail locations.

In comparison, the retail median price-per-gram for usable marijuana has not been as stable as retail median price-per-gram for extracts and concentrates. There has been a decrease year-over-year in the price-per-gram for usable marijuana since a slight bump during the COVID-19 pandemic. In 2023 and 2024, the retail median price-per-gram for usable marijuana was \$3.85 and \$3.75, respectively (see Figure 3).

Currently, the retail median price-per-gram of usable marijuana is at the lowest point the market has seen since legalization. The low price can be attributed to oversupply. Usable marijuana is a perishable

product and its value declines over time, making prices on usable marijuana more sensitive to increased supply relative to demand.

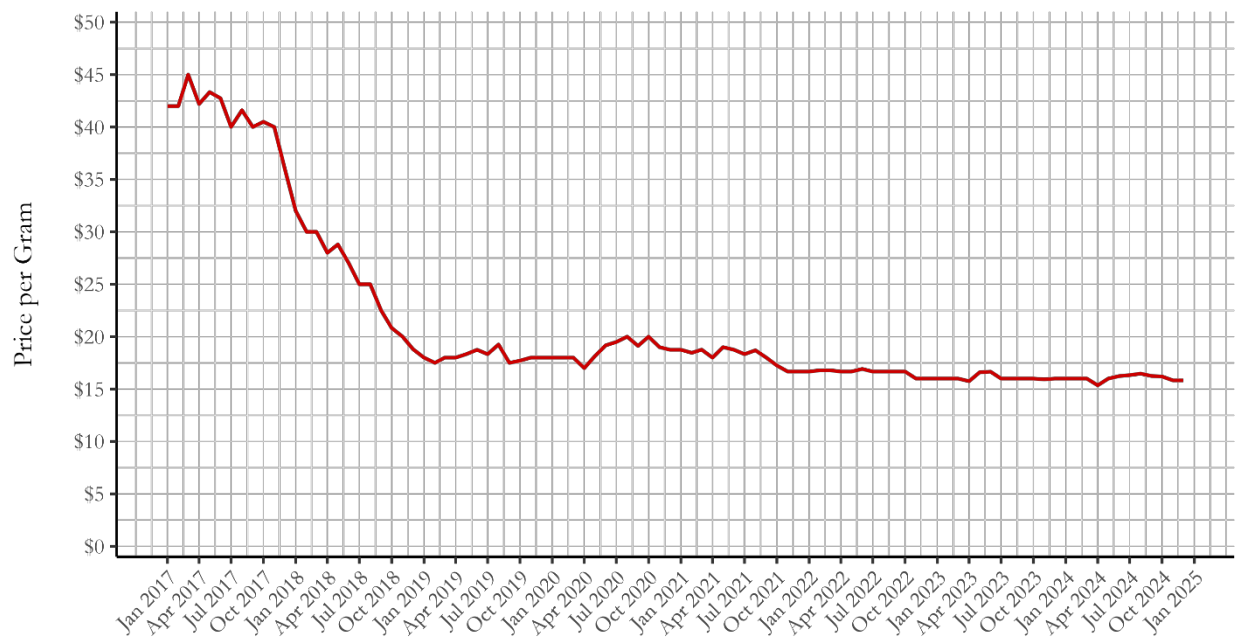


Figure 2: Price-per-gram of Extracts and Concentrates by Month

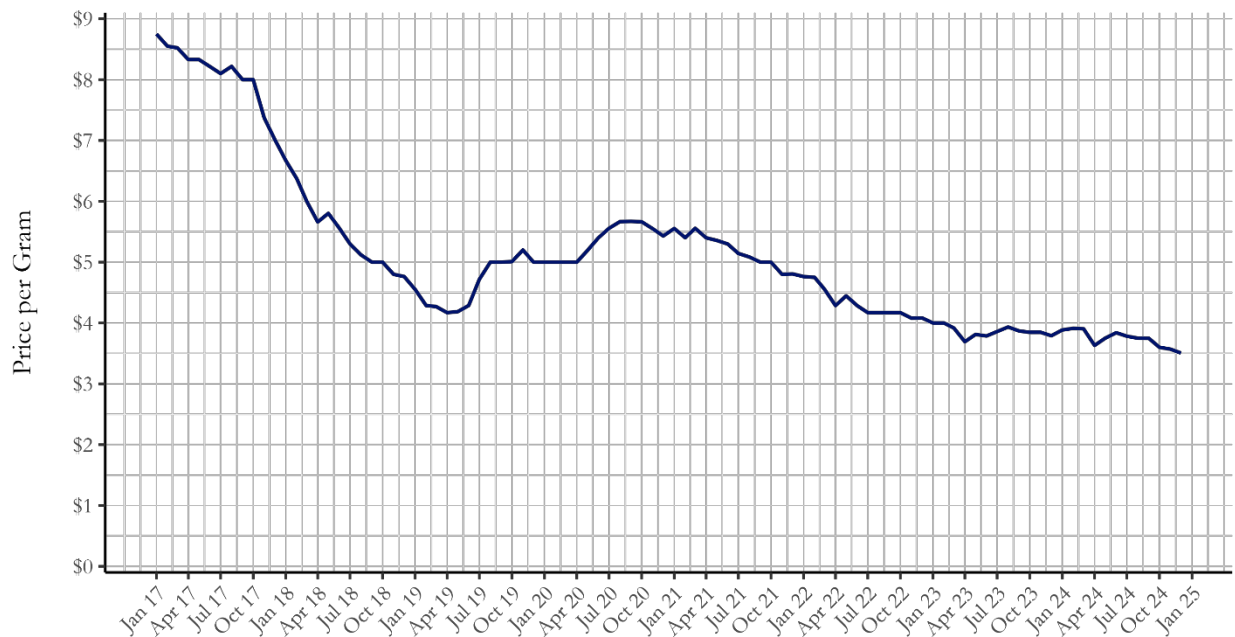


Figure 3: Price-per-gram of Usable Marijuana by Month

Quantity Purchased

In addition to harvest data and median retail prices highlighting market conditions, the amount of product sold in pounds and units provides information on consumer purchasing patterns, particularly for usable marijuana. As shown in Figure 4, total quantity of usable marijuana sold increased only slightly from 2021 to 2023 – by 2% in 2022 and 1% in 2023 (and 1% in 2021) – compared to an increase of 27% in 2020. However, in 2024, usable marijuana sold decreased 3%, making quantities sold for the year just slightly above totals seen in 2020.

Since 2021, the quantity of edibles and tinctures sold has declined while concentrates/extracts have remained relatively stable (see Figure 4). Due to the diversity of products in the market, making a direct year-over-year comparison of quantities sold for any product category is challenging. Additionally, the quantities do not account for the amount of usable marijuana required to produce each unit of edibles, tinctures, or concentrates/extracts.

One notable drop in the graph is likely due to a legislative change affecting THC limits rather than decreased consumer purchasing. During the 2021 legislative session, a bill was passed requiring the OLCC to allow edibles to contain up to 100 mg of THC, doubling the previous limit of 50 mg set by the Oregon Health Authority (OHA). After the law went into effect, consumers could purchase a single edible product to obtain the same amount of THC that previously required purchasing two edible products (see Figure 4: Edibles).

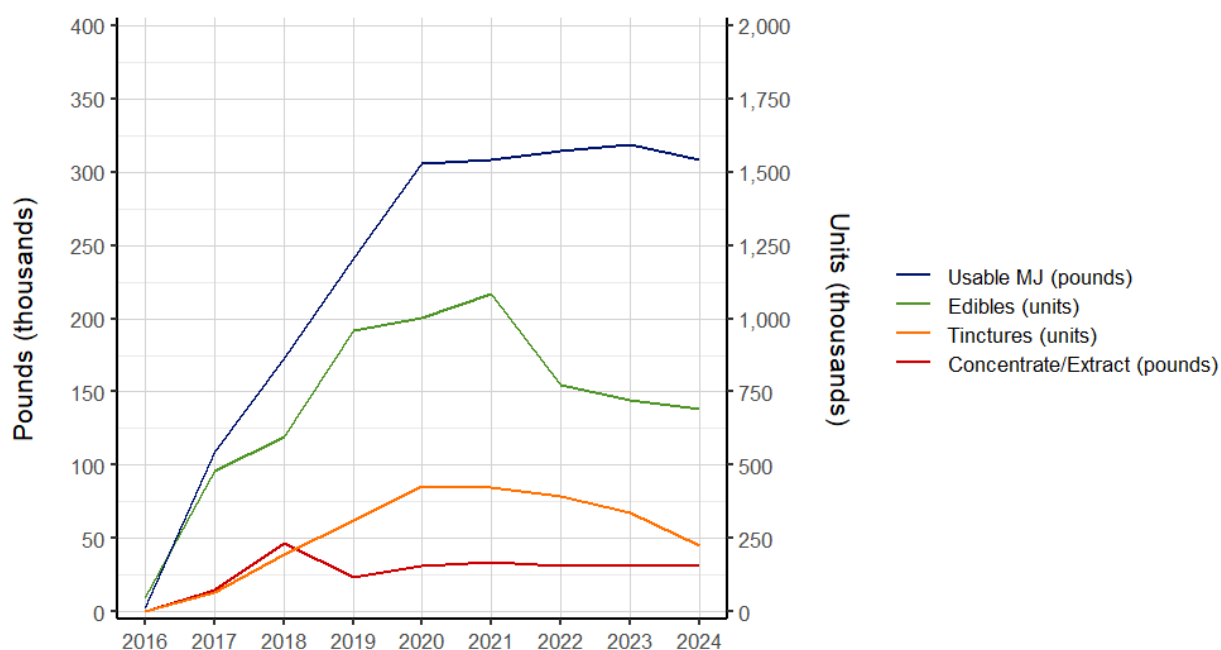


Figure 4: Quantity Purchased (Pounds – Left Scale; Units—Right Scale) by Product Type by Year

Figure 5 depicts aggregated amounts of THC purchased by year, regardless of product type. In previous years, sales exhibited consistent linear increases in the total amount of THC sold in the recreational

marijuana market; however, the trend line flattens noticeably starting in 2020. In 2020, the year-over-year increase in THC sold was 26%, but this growth began to decline in 2021 to 12%. Although the amount of THC sold continues to grow year-over-year, the rate of growth slowed to 5% in 2023 and 2% in 2024.

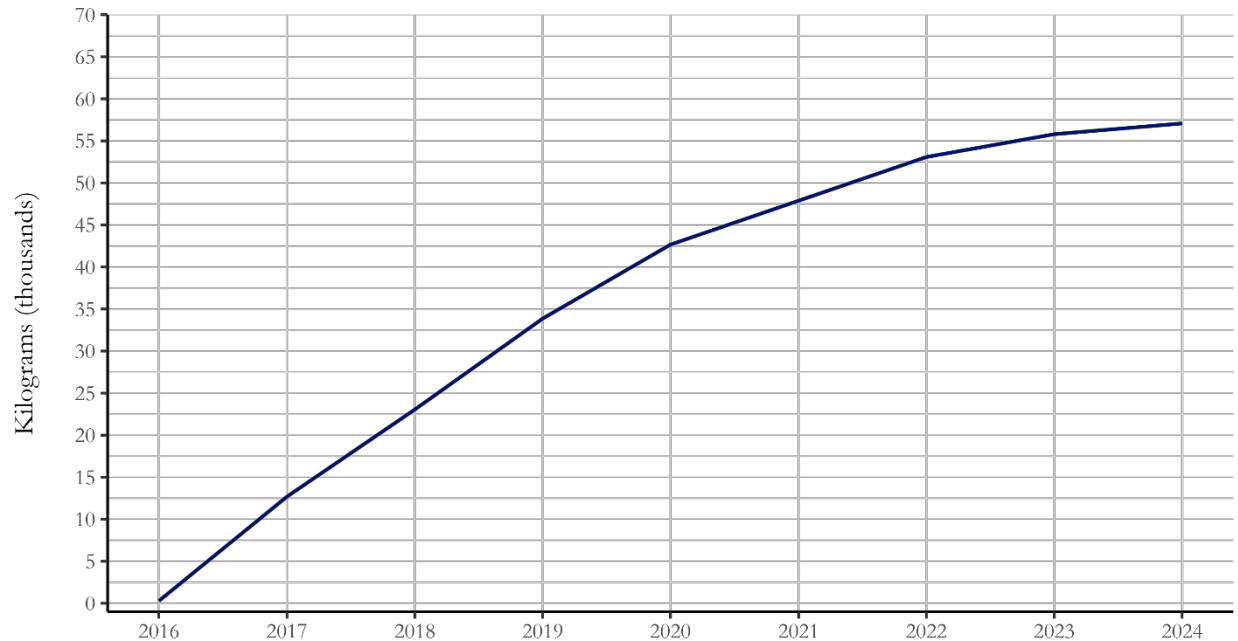


Figure 5: Kilograms of THC Sold by Year

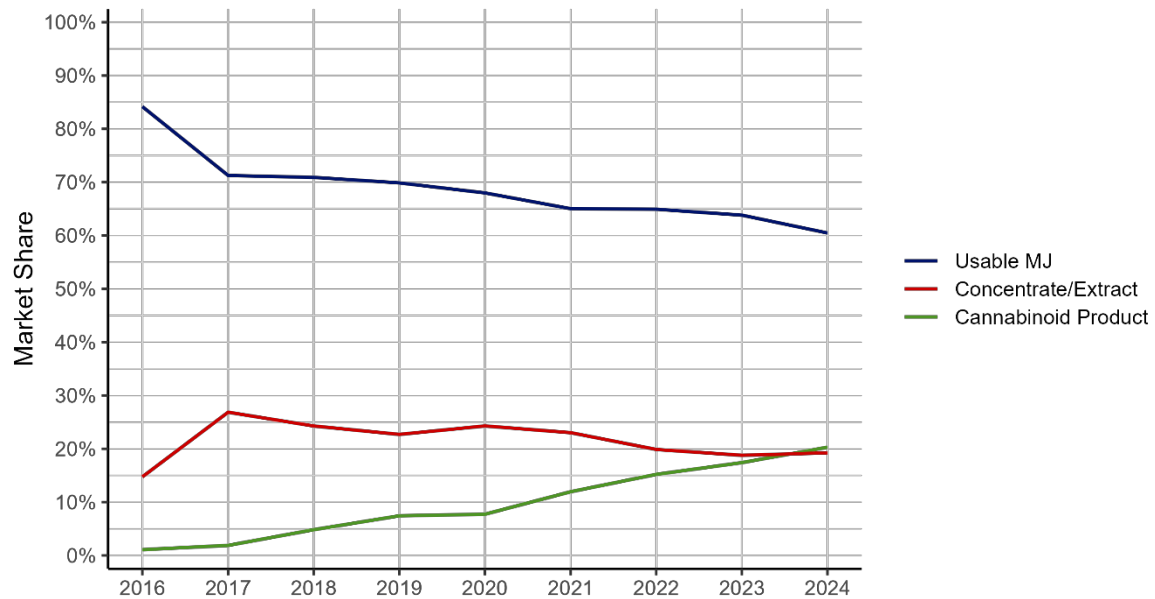


Figure 6: Share of THC Sold by Product Type by Year

Figure 6 presents the change of composition in the market. Cannabinoid products represent an increasing share of total THC sold through marijuana retail stores. Cannabinoid products, as well as extracts and concentrates, use more shelf-stable processed marijuana outputs, making them less sensitive to annual changes in harvest volumes.

Usable Marijuana Sales



Figure 7: Usable Marijuana Sales by Month

Usable marijuana is sold at various price points depending on the quality of the usable marijuana and the amount of THC the usable marijuana contains. Additionally, consumers' preferences for certain cannabis strains and budgets can vary by region, which alters the strains of usable marijuana carried by recreational retailers.

Oregon's recreational marijuana market peaked during the COVID-19 pandemic with sales totaling \$1.1 billion in 2020 and \$1.2 billion in 2021. Following this, the year-over-year sales of usable marijuana decreased around April 2021 and continued to decline before leveling off in October 2022. Since then, sales have remained steady with usable marijuana sales at \$960 million in 2024 (see Figure 3 and Figure 5).



Figure 8: Year-Over-Year Percentage Change in Sales by Month

Interestingly, while the usable marijuana sales have remained steady since October 2022, factors such as the most recent harvest could lead to another drop in price-per-gram of usable marijuana, extracts, and concentrates (see Figure 1 and Figure 3). The oversupply of usable marijuana on the market along with lower prices continues to strain marijuana businesses.

With the prior moratorium on new licenses and the current licensing structure limiting licenses based on population, the Commission does not anticipate issuing new producer or retailer licenses for many years to come. By limiting the number of licenses available by law, the legislature is most likely assisting the industry in limiting supply.

Estimate of Demand to Supply Ratio

We estimate the annual supply and demand using the methodology developed in [the 2019 report](#). In each figure, the red line represents the actual wet weight harvested in the respective year and the dotted line represents the estimated wet weight equivalent of annual demand. The ratio is calculated by demand as a percentage of supply. Estimating the supply and demand ratio is important because it provides insight into the balance between the availability of marijuana products and the desire or need for the product. As discussed in the Summary of 2025 Market Conditions, the impact of the oversupply of marijuana products led to the lowest price-point of usable marijuana retail median price-per-gram, while concentrates and extracts have a stable retail median price-per-gram due to the items being produced post-harvest and having a longer shelf life.

Producers can use the ratio to adjust production, pricing, and inventory based on the historical harvest data and inventory on the market. Currently, the OLCC estimates the wet weight equivalent of demand was 71% of actual annual supply in 2023 and 57% in 2024 (see Figure 9 and Figure 10).

Put in context, this estimate means the 2024 annual harvest exceeds demand in less than 5% of modeled scenarios.

First, although October represents by far the largest share of annual harvest, much of the outdoor crop typically does not come to market until the following calendar year. In that sense, the large increase in the October 2024 may not yet be “priced in” to the market.

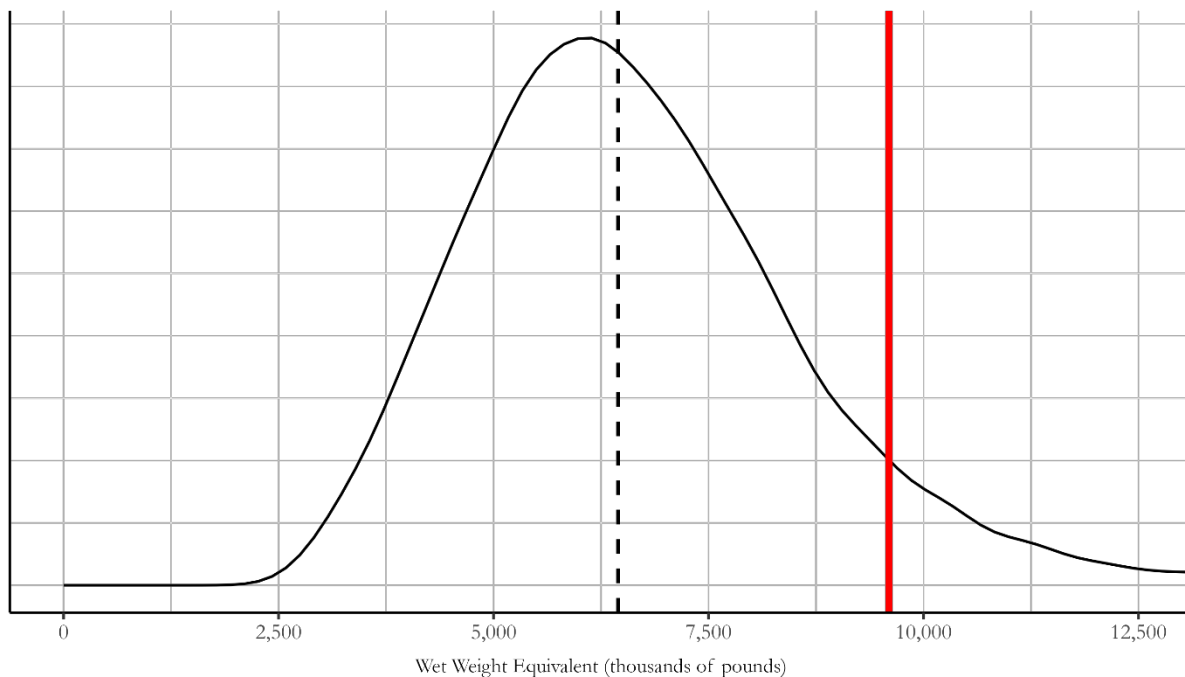


Figure 9: Estimate of 2023 Demand Relative to Supply

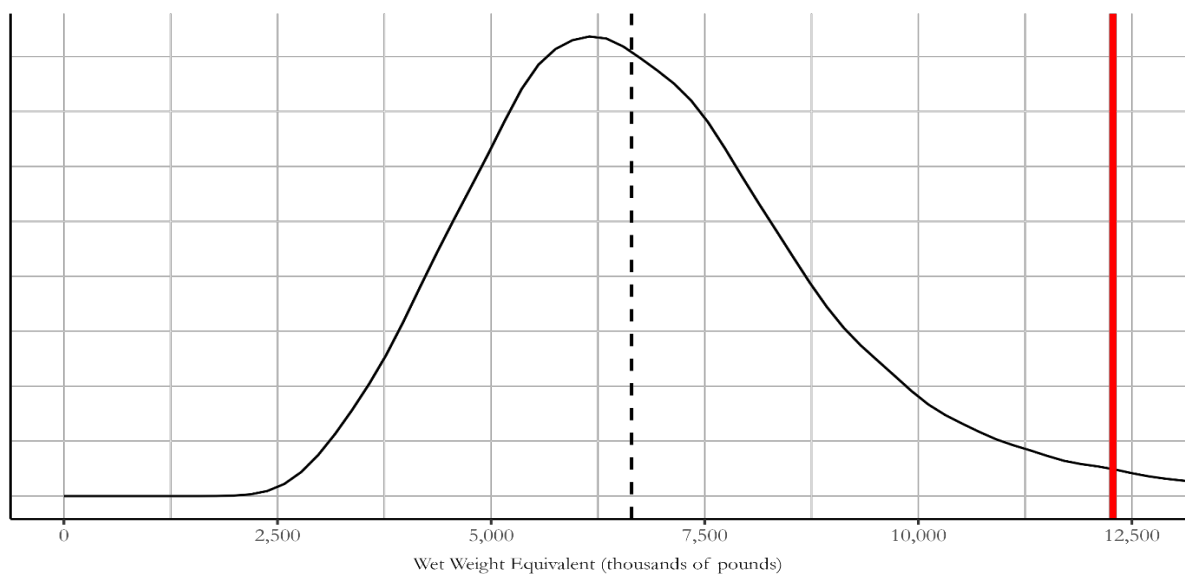


Figure 10: Estimates of Annual 2024 Demand Relative to 2024 Supply

Table 1 quantifies this lagged effect. Rather than compare calendar year harvest to calendar year supply, the table instead compares calendar year demand to lagged (October through September) annual harvest. Compared to the above estimates, the market conditions actually improved in 2023 (increasing from 55% estimated demand-to-supply ratio to 71%), and conditions deteriorate in 2024 to 57% with the larger harvests (see Figure 1).

Table 1: 2024 Forecast of Demand vs. Supply

Period	Estimated Demand to Supply Ratio
October 2020 - September 2021 Harvest, CY 2021 Demand	60%
October 2021 - September 2022 Harvest, CY 2022 Demand	55%
October 2022 –September 2023 Harvest, CY 2023 Demand	71%
October 2023- September 2024 Harvest, CY 2024 Demand	57%

The second, more worrying factor, is that the 2024 harvest indicates there will be larger inventory stockpiles in the system going forward, putting more downward pressure on prices and delaying revenue for marijuana businesses. The chart below shows inventory as of December 1 for each year. Note the large year-over-year increase in December 2024 (see Figure 11 and Figure 12).

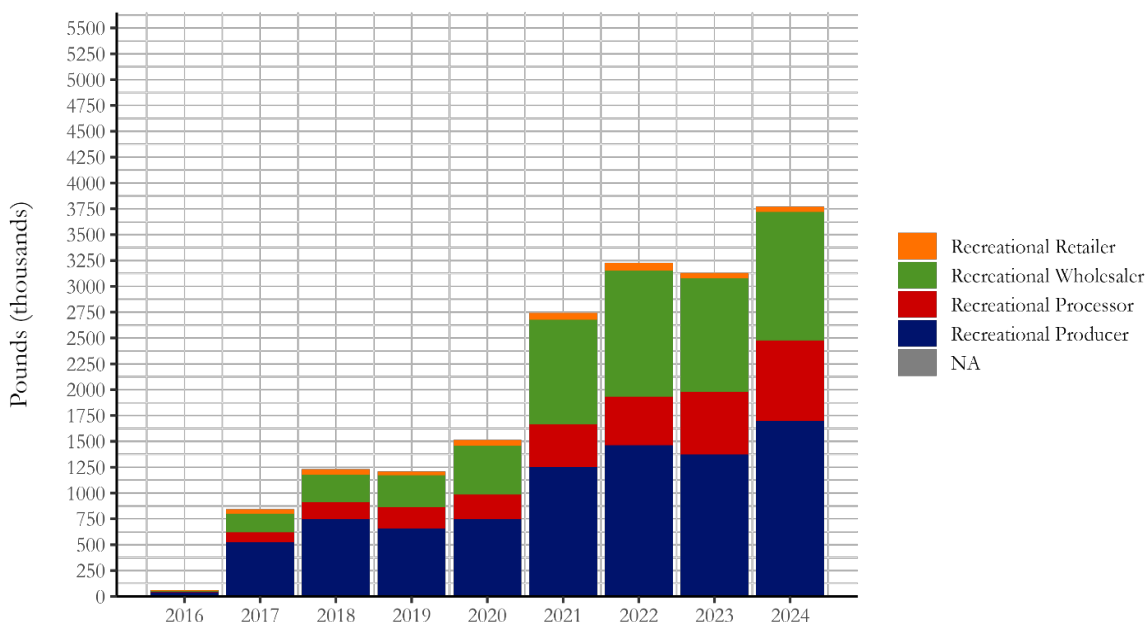


Figure 11: Inventory of Usable Marijuana on December 1.

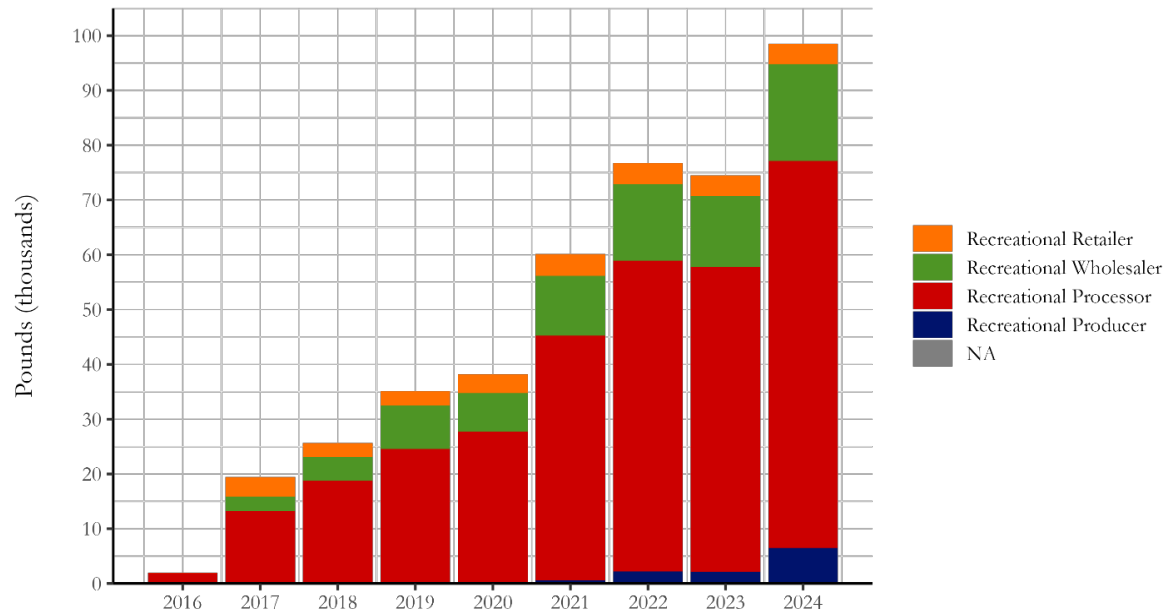


Figure 12: Concentrate and Extracts Inventory as December 1

Bringing it all together, the market conditions in 2023 had improved due to a smaller inventory stockpile combined with a moderately lower harvest in 2022 (see Figure 1, Figure 8, Figure 10, and Figure 11). But the large harvest in 2024 means that the market will be even further out of balance for the next year.

Conclusion

The significant increase in the 2024 harvest represents a challenge to the marijuana market in Oregon. It is anticipated that the increase in supply will continue to decrease the price for marijuana items, tightening the profit margins for businesses. These factors and the inability for new businesses to enter the market could lead to additional market consolidation.

The Oregon recreational marijuana market has shown to be resilient and able to adapt to change but is continually disadvantaged by the marketplace being limited to Oregon. Year after year, supply has outpaced demand.

Until the federal government creates pathways to interstate commerce, the Oregon recreational marijuana market will be characterized by variations on the same theme: a competitive marketplace that features low prices for consumers but low margins for businesses. As we enter 2025, it remains to be seen how narrow the margins will be and how well the Oregon cannabis industry can operate within them.