



News Release

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Legal Marijuana Remains in Abundant Supply OLCC releases biennial report to Oregon's Legislature

PORTLAND, Ore. – The Oregon Liquor and Cannabis Commission (OLCC) today submitted to the Oregon Legislature the [2023 Marijuana Supply and Demand report](#) reflecting the quantity of cannabis available in Oregon's legal commercial market. This is the fourth biennial report produced by the OLCC, and it shows a similar pattern as in previous reports, that supply still outpaces demand.

In 2022, the demand for legal cannabis products was 63% of supply, compared to 52% of supply in 2021. This difference is likely a reflection of cannabis producers planting less crop in 2022 after a record harvest in 2021 led to plunging prices.

While the self-correction in the market has led to a closer balance in annual supply and demand, it also reveals the precarious economic position of Oregon's cannabis industry. Declining prices combined with slower growth in consumer purchasing resulted in the first-ever decrease in sales, from \$1.2 billion in 2021 to \$994 million in 2022.

Declining wholesale and retail prices for usable marijuana can be attributed to the build-up of supply from previous years, and the slowdown in converting usable marijuana (flower) into more shelf-stable THC products like edibles, oil and tinctures. The leftover supply of both usable marijuana and value-added THC products is likely to continue the downward pressure on prices.

In a [letter to legislators](#) that accompanied the report, OLCC Executive Director Steve Marks observed that while steady improvements have been made to improve regulatory standards, reduce economic harm to the industry, and poise the state to be ready for legal inter-state commerce, federal barriers remain that continue to stifle the industry.

"Federal regulatory activity remains uncertain, and we must consider what public policy is needed to protect this nascent industry from an existential crisis in the face of federal inaction," said Marks.

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OLCC 2023 Marijuana Supply Demand Report

As indicated in previous Supply Demand reports Oregon's recreational marijuana market has been able to withstand the whipsaw up and down cycles of the market. In the market's current status, low prices have attracted consumers from the illicit market, which was an objective of legalization. However what's been good for the consumer has put pressure on cannabis businesses to survive on low margins.

"We will look to the Governor and Legislature during the 2023 legislative session for direction on how to further strengthen our regulated marijuana system by providing stability to the industry, maintaining our obligations to keep our communities and the public safe and secure, and fulfilling our consumer protection responsibility to Oregon's cannabis users," said Marks in the conclusion of his letter to legislators.

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