

Marijuana: Why You Should Care

The Effects of Commercialized Marijuana

The influence of investors, advertising, lobbying, and market forces

As with tobacco, alcohol, prescription drugs, and high-tech products, legalizing marijuana in the U.S. for commercial production and sale will eventually lead to a marijuana industry controlled almost entirely by a small number of powerful corporate investors, producers, and distributors. In order to shut down the existing black market, prices and taxes will need to be kept low, so company profits will depend on volume. This will lead to the commodification of marijuana by whatever means necessary.

- Marijuana has become the country's fastest-growing business. 2014 investments are estimated at \$3 billion, 74% higher than 2013, and the market research firm ArcView Group has predicted \$11 billion in trade by 2019¹.
- The current profit margin for marijuana growers is estimated to be as high as 80%. In contrast, the profit margin for tomatoes is 10%¹.
- Colorado sales of recreational marijuana rose 98% from April 2014 to April 2015, with Denver dispensaries reporting 100-300 buyers per day, 50% of them tourists¹.
- A single producer of personal vaporizers (vape pens) has grown by 200% in the past 2 years, and received \$46.7 million in venture capital funds¹.
- In order to survive, the industry must encourage heavy use¹⁷. This can be seen in Colorado, where daily users in Colorado make up 21.8% of the market but use 66.9% of the product, while once-weekly users make up 24.5% of the market but use only 3.3% of the product¹⁸.

The marijuana industry has already begun to use the tobacco industry's tactics to attract and keep young users: ads that portray marijuana use as sexy, edgy, and rewarding; endorsements by celebrities; greatly increased potency; and a variety of flavored cannabis-infused products that can be eaten, drunk, or inhaled as vapors².

- Country-Western singer Willy Nelson³ and the family of deceased Reggae star Bob Marley⁴ have each founded their own marijuana brand, and rapper Snoop Dog⁵ has invested in Eaze, a weed delivery company that calls itself "Uber for weed." Actress Bethany Frankel, who already markets a line of Skinnygirl alcohol products, has announced she will produce Skinnygirl marijuana⁶.

Our nation's experiences with alcohol and tobacco show that for every dollar gained in taxes, we spend \$10 on social costs, such as treatment, social services, injuries, lost wages, etc.



- The potency of marijuana leaf and buds has increased by an order of magnitude since the 1970s, from an average THC content of 1.5%-3% up to 12%-15% today^{7,8}. The potency of THC infused edibles and concentrates now ranges from 30% THC up to 80% THC⁹.
- Product testing and labeling is often incorrect, both about potency and about contaminants like fungal parasites and butane and pesticides used in growing marijuana¹⁰.
- In Colorado and Washington, vending machines have been developed that dispense marijuana-infused edibles and flower buds¹¹.
- Several beers infused with cannabinoids have been released¹², as has marijuana infused wine¹³, combining two psychotropic, addictive substances in one product.

Presidential Candidate Rand Paul became the first U.S. politician to openly accept donations from the marijuana industry by holding a \$2,700-per-head fundraising event on June 30, 2015 during a national cannabis industry trade show in Denver¹⁴. He has made the campaign promise to allow banks to process marijuana industry transactions.

- Nevada's wholesale alcohol industry has spent almost \$90,000 to support a ballot measure that would give them exclusive rights to sell marijuana in Nevada for the first 18 months of legal sales¹⁵.
- In addition to the major marijuana policy lobbying groups NORML, MPP, and the Drug Policy Alliance, there is now a National Cannabis Bar Association (<http://www.canbar.org>) and a National Cannabis Industry Association (<https://www.thecannabisindustry.org>)
- Colorado has passed a bill that will lower its 10% sales tax on marijuana to 8% in 2017. The reason given was to squeeze out the black market¹.
- Currently, states that have legalized marijuana have set strict regulations that forbid traditional advertising, particularly to minors. If marijuana is legalized at the Federal level, the industry will be able to claim commercial free speech rights under the First Amendment¹⁶.

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