

Operation Recreation - Denver, Colorado - Ground Zero

The recent legalization in Denver precursor for what's to come

As the sun rose on January 1, 2014, a line of people had already formed in front of one of the many marijuana stores cleared to open their doors to recreational users throughout Colorado. The first sale took place in Denver, where dispensaries were forced to turn people away (due to lack of product) before the day's end. Lines of excited customers flowed out of the shops and around city blocks, all awaiting the symbolic end to an era of prohibition. Pot sales were estimated to bring in over one million dollars on the first day, and the state is projecting that tax revenues will exceed \$67 million this first year.

Opposition to the legalization effort will be disappointed to hear that the launch of recreational marijuana sales (other than being a huge success for vendors and consumers alike) was rather uneventful. There were no rioters, protests or disruptions of any kind. In fact, police reported that the mobs of people were rather pleasant, orderly and enthusiastically supported by the majority of public passers-by. This experiment in progressive counterculture has shown nothing but great potential and encouragement for what lies ahead.

The potential for marijuana sales is easy to predict if you look at established figures for the medical marijuana program in Colorado. Regulations dictate that recreational pot shops are required to produce 70 percent of their inventory, with the other 30 percent coming from local dispensaries, which currently supply 110,000 state patients at a ratio of five plants per patient. That 30 percent equates to roughly 40,000 pounds of marijuana, minus whatever product is consumed by the regular patients. Assuming that these crops can be harvested three times per year, we can predict that an average supply of 120,000 pounds of primo sticky icky will be available to supplement marijuana shops throughout Colorado. When you incorporate the 70 percent required for production by the recreational shops, the total available supply can be maximized at 400,000 pounds of marijuana for recreational consumption per year. That's a lot of cheeba - \$92,560,000 worth at an estimated \$50 per 1/8.

However, judging by the initial success of the legalization movement in Colorado, experts are predicting that, without additional resources, it will be difficult for these distribution centers to keep up with demand this first year. Actual figures to support this month's experiment won't be available until early February, when January's receipts will be calculated and totaled. But after such a promising inauguration (as well as the anticipated tourist market) expectations are high. Though dispensaries are already established and should be able to produce their share of product, it is estimated that it will take up to five months for recreational establishments to get up to speed. This will leave a good portion of the potential market unaccounted for.

If the predictions hold true, Colorado should be generating tax revenue, private income and quite a few jobs. There were an estimated 10,000 jobs created from the medical marijuana market this year. There

is also the potential to see a change in current laws, which do not allow private caregivers to sell excess product to other outlets, just to keep up with expected demand. We applaud you Colorado, as the rest of the world watches the experiment unfold. Washington state is due to release their recreational program this year, and a slew of other states are proposing ballots in the upcoming years. So far, the end of an era of prohibition is setting a standard for very high hopes.