

July Sees a Modest Boost in Michigan Cannabis Sales

Michigan Cannabis Sales Growth Slows in July Amid Declining Prices and Evolving Market Trends

Michigan's cannabis market continues to grow, but at a slower pace than in recent years. In July 2024, cannabis sales in the state reached \$287.7 million, marking a 3.2% increase from June. However, the year-over-year growth rate of 4.0% was the slowest annual increase in over two years, signaling a shift in the market dynamics as the industry matures.

Adult-Use Sales Grow While Medical Sales Plummet

The Michigan Cannabis Regulatory Agency's data reveals distinct trends within the state's cannabis market. While adult-use cannabis sales continue to rise, medical cannabis sales have sharply declined. In July, adult-use sales reached \$286.4 million, representing a 5.8% year-over-year increase and a 3.2% sequential growth from June. On the other hand, medical cannabis sales plummeted by 77.9% compared to the previous year, totaling just \$1.4 million, a 5.7% decline from June.

Dramatic Price Declines as Supply Increases

One of the significant factors affecting the Michigan cannabis market is the continued decline in flower pricing due to increasing supply. The average price for adult-use cannabis flower in July was \$1,275 per pound, down 7.9% from June and a substantial 19.2% decrease from a year ago. This price drop highlights the ongoing pressure on margins as more cultivators enter the market and competition intensifies.

Historical Growth and Future Outlook

Michigan's cannabis market has seen impressive growth over the past few years. In 2021, sales expanded by 82.1% to \$1.79 billion, followed by a 27.9% increase in 2022 to \$2.29 billion. By 2023, the market had grown by 33.3%, reaching \$3.06 billion. So far in 2024, sales have increased by 12.6%. While the growth rate has slowed, the market is expected to continue expanding as supply and distribution networks further develop.

A Market in Transition

Michigan's cannabis market is evolving, with slowing growth rates and declining prices reflecting a maturing industry. While the adult-use sector continues to expand, the sharp decline in medical sales and falling prices indicate that the market is becoming increasingly competitive. As the state's cannabis program grows and supply becomes more accessible, industry stakeholders will need to adapt to these changes and navigate the challenges of a shifting market landscape.

Email: info@cannabisriskmanager.com | Phone: +415-226-4060

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