

# Ohio Cannabis Market Shows Early Signs of Price Drop

## Products in Ohio's Recreational Cannabis Market Showing Signs of Price Contraction Only Five Months After Sales Began

Ohio's recreational marijuana market is already experiencing early signs of price contraction, despite exceeding expectations in its first few months of adult-use cannabis sales. With a market that launched on August 6, 2024, Ohio reached \$242.2 million in sales in just five months, indicating strong consumer demand. However, analysis of data from the Ohio Division of Cannabis Control (DCC) shows that prices are trending downward across nearly all product categories, as the market continues to mature.

### Strong Start for Ohio's Adult-Use Cannabis Market: \$242.2 Million in Sales

The initial success of Ohio's adult-use cannabis market has been remarkable, with sales hitting \$242.2 million in 2024, closely aligning with industry predictions about the market's potential. The launch on August 6 saw a flurry of sales, and the market continued to grow steadily through the remainder of the year. However, as demand for recreational cannabis has climbed, so too has the market's tendency for price contraction.

An in-depth analysis of weekly sales data from the Ohio Division of Cannabis Control reveals a downward trend in prices across nearly all major product categories, with more than half of the products experiencing significant price reductions.

### Plant Material Prices Take a Major Dip, But Demand for Cannabis Remains High

A key product in Ohio's recreational cannabis market is plant material, which has been driving more than 50% of the state's total sales. In the first week of January 2025, Ohioans purchased 2,158 pounds of plant material—a sharp increase from the 1,284 pounds bought during the market's opening week in August. This growth in sales volume could be tied to the declining prices, which have made cannabis more accessible to a broader consumer base.

Since the market opened, the price of plant material has dropped by 32%, or roughly \$1,500 per pound. The price per pound for plant material settled at \$3,178 as of the week ending January 4, a significant decrease from the original price point of \$4,678 when the market launched. This price reduction appears to be fueling demand, as more consumers are purchasing larger quantities of cannabis at lower prices.

### Average Price per Gram Declines by Nearly 28% Since August

Alongside the significant dip in plant material prices, the average price per gram of cannabis has also seen a substantial drop. On August 6, 2024, the average price per gram was \$9.40. However, by the week of January

19-25, 2025, that price had decreased by 27.6%, settling at \$6.80 per gram. This 28% reduction in price signals a wider trend toward price contraction in Ohio's cannabis market. The sharp decline in gram prices further emphasizes the accessibility and affordability of cannabis for consumers as the market continues to evolve.

### **Prices for Manufactured Products, Including Edibles and Vapes, Also Experience Declines**

Manufactured cannabis products—such as edibles, oils, tinctures, and vape products—have seen more modest price declines compared to plant material. For example, the average price for a manufactured product in January 2025 was \$28.08, which represents a 9.6% decrease from the launch of the market.

However, some product categories have experienced sharper reductions. Edibles, for instance, saw their price per item drop by 17.1%. Similarly, oils and solids for vapes—products that have been increasingly popular with Ohio consumers—have decreased by 11%. The reduction in these product prices further supports the trend of price contraction as more products become available in the market and competition intensifies.

### **Shifting Product Mix: Consumers Moving Towards Plant Material and Vape Products**

The changing preferences of Ohio consumers have also contributed to the price fluctuations. Initially, sales of manufactured products such as edibles, ointments, and tinctures accounted for a large portion of the market. However, since the market's opening, there has been a notable shift in the product mix. Sales of oil and solid products for vapes, alongside plant material, have seen substantial growth, while the demand for edibles and other manufactured products has contracted.

As of January 2025, sales of plant material and vape oils/solids had experienced double-digit growth, signaling a shift toward these products as the dominant categories in Ohio's recreational cannabis market. These changes in consumer preferences could continue to shape the overall market structure throughout 2025 and beyond, as the industry matures and consumer tastes become more defined.

### **Looking Ahead: Ohio's Cannabis Market Likely to Continue Growing Despite Price Changes**

Although prices are experiencing fluctuations, the general consensus is that Ohio's recreational marijuana market will continue to expand throughout 2025. If trends seen in other states are any indication, growth will likely continue despite the price drops and shifts in product mix. The combination of price contraction and rising consumer demand suggests that Ohio's market has room to grow, potentially outpacing other states that have faced price hikes in their early years of legalization.

Moreover, as more retailers enter the market and producers scale up operations, competition is expected to intensify, leading to even more price adjustments in the coming months. This trend could benefit consumers, who may find better deals as the market matures and products diversify.

### **Price Contraction as a Natural Phase in Ohio's Cannabis Market Growth**

The price contraction happening in Ohio's recreational marijuana market is a natural phase in the maturation of a newly legalized industry. With prices dropping across a wide range of products, consumers are benefiting from more affordable cannabis options, which could drive continued demand. As the market continues to evolve, further shifts in product preferences and competitive pricing are expected. Ultimately, Ohio's cannabis industry seems well-positioned to continue its upward trajectory, even as prices adjust and the market matures.