

Medical cannabis pricing comparison

A Utah Department of Health and Human Services (DHHS) report that compares the cost of medical cannabis at vertically integrated and non-vertically integrated pharmacies in Utah.

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Introduction

- This report includes data for January 1, 2022 to August 4, 2022.
- Does not include discounts that pharmacies often run on specific products for limited periods of time for all or certain patients.
- More details explaining methodology used are provided on the final slide.

Based on the data, non-vertical medical cannabis products, on average, have a lower retail price in all three product categories. This is true even though vertically integrated products are cultivated, processed, and sold by businesses under the same ownership.

Definitions

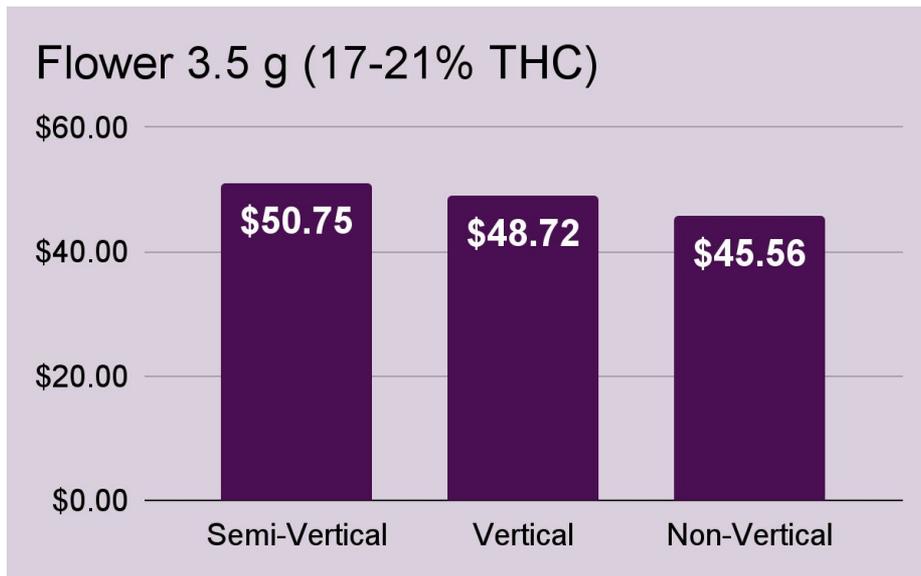
Vertical product: Pharmacy and cultivator have the same ownership, processor may or may not have same ownership. Products at 5 pharmacies could fall under this category (Dragonfly Wellness, The Flower Shop, WholesomeCo Cannabis, Zion Medicinals, & Beehive Farmacy).

Semi-vertical product: Pharmacy has different ownership from the cultivator and processor, who have the same ownership. Products at all 14 pharmacies could fall under this category.

Non-vertical product: Pharmacy, processor, and cultivator are all under different ownership. Products at all 14 pharmacies could fall under this category.

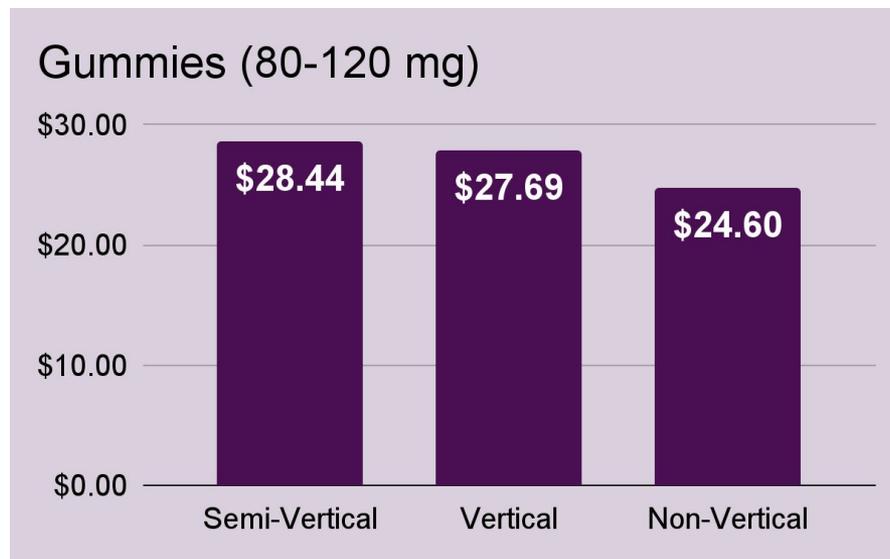
Average Flower Price

- Non-vertical flower products have a retail price that is about **\$3.16** less than those that are vertical.
- Non-vertical flower products are about **40%** of the 3.5 gram market.
- Flower is the 2nd most popular product type.



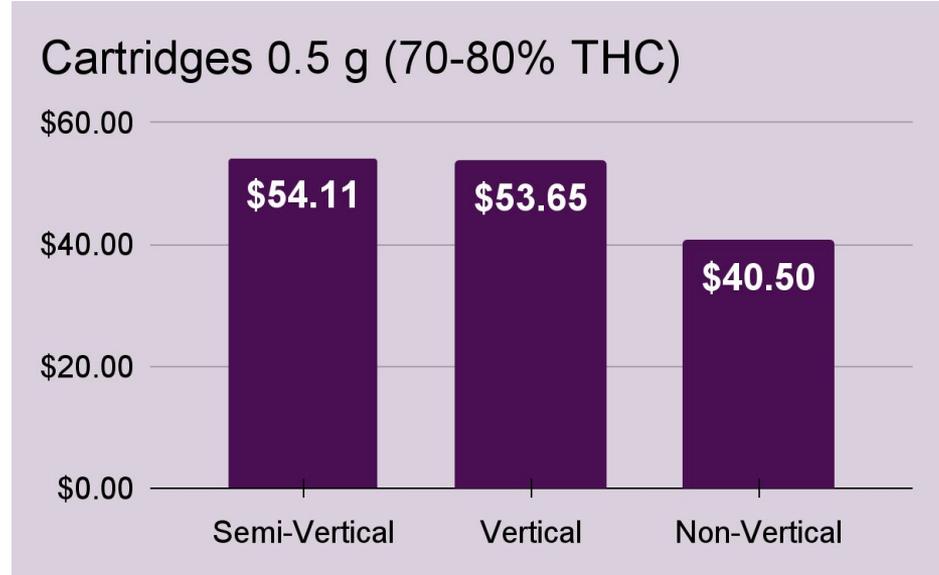
Average Gummy Price

- Non-vertical gummies have an avg. retail price that is about **\$3.09** less than those that are vertical.
- Non-vertical gummies are about **89%** of the 80 to 120 gram market.
- Gummies are the 3rd most popular product type.



Average Vape Cartridge Price

- Non-vertical cartridges have a retail price that is **\$13.15** less than those that are vertical.
- Non-vertical cartridges are about **62%** of the .5 gram market.
- Cartridges are the most popular product type.



Report methodology

1. Items are exported from the state's inventory control system (ICS) and grouped by production batch, item, and month sold. The cannabinoid percentages and prices are averaged among these groupings. Percentage and price averaging is intended to facilitate smaller, more manipulable file sizes.
2. All transfers between facilities are exported from the state's ICS to get information on processors.
3. Data is cleaned up. Cancelled transfers and product samples are removed. Only items sent from a processor to a pharmacy are included.
4. Processor and sales data are joined together.
5. To simplify multiple processors creating the same product or jointly working on products, only the processor that most commonly sent a particular item to pharmacies are counted as the processor.
6. Regular expressions are used to extract the weights from pharmacy product names for cartridges. The total weight logged in the state's ICS is used as a backup if no weight is found.
7. Product weights found from the pharmacy products are extrapolated to the same products at other pharmacies based on shared heritage from the processor.
8. Regular expressions are used to extract the THC mg and number of pieces for gummies.
9. Repeat step 8 for gummies.
10. A manual override for weight data is included for some products where weight information cannot be ascertained by regular expression/data.
11. Items are classified as a vertical, semi-vertical, or non-vertical product.
12. Data is filtered for timeframes then summarized and represented graphically.