

StatsCannabis data availability: Crowdsourced cannabis prices, third quarter 2019

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The Government of Canada legalized the production and sale of cannabis for non-medical purposes on October 17, 2018. Prior to legalization, Statistics Canada updated the StatsCannabis crowdsourcing application to capture changes in consumer behaviours resulting from the newly legal status of cannabis. Updates included additional questions on the source of supply (legal or illegal) and first-time use, in addition to the original questions on price, location, consumption, quality and quantity purchased.

From July 1 to September 30, 2019, StatsCannabis received 151 price submissions, 125 of which were deemed plausible. Even though submissions underwent outlier detection, estimates are subject to potential statistical bias because the sample is self-selected and the number of responses is limited. Caution should therefore be exercised in the interpretation and use of these data.

Average price continues to decline

The total average price of cannabis fell to \$7.37 per gram in the third quarter from \$7.87 per gram in the second quarter. This overall decline can be attributed to lower prices for both legal and illegal cannabis. Average legal cannabis prices dropped to \$10.23 per gram in the third quarter from \$10.65 per gram in the second quarter, and average illegal cannabis prices fell to \$5.59 per gram in the third quarter from \$5.94 per gram in the second quarter. This is the first decline in price for legal cannabis since legalization.

Table 1
Average quarterly cannabis prices

	Legal sources		Illegal sources	
	Average price	Submissions	Average price	Submissions
	dollars per gram	number	dollars per gram	number
Fourth quarter 2018	9.75	191	6.38	262
First quarter 2019	10.21	254	6.22	305
Second quarter 2019	10.65	237	5.94	340
Third quarter 2019	10.23	48	5.59	77

Note(s): The post-legalization period for the fourth quarter of 2018 covers October 17, 2018, to December 31, 2018.

Source(s): *Cannabis Stats Hub* ([13-610-X](#)).

Source of cannabis purchases in Ontario

The province of Ontario began opening cannabis retail stores on April 1, 2019, and these store openings appear to be shifting the sourcing of legal cannabis in Ontario from online mail purchases to in-store retail purchases. In the third quarter, 31.2% of legal cannabis sold in the province was sold by retail stores, a continued increase from 28.6% in the second quarter, which grew strongly from 4.2% in the first quarter. Legal mail-in cannabis purchases decreased from 95.8% in the first quarter to 68.8% in the third quarter.



Table 2
Legal cannabis sourcing, Ontario

	First quarter 2019	Second quarter 2019	Third quarter 2019
	%		
Licensed seller via mail	95.8	71.4	68.8
Government licensed in-store retailer	4.2	28.6	31.2

Note(s): The post-legalization period for the fourth quarter of 2018 covers October 17, 2018 to December 31, 2018.

Source(s): *Cannabis Stats Hub* ([13-610-X](#)).

Statistics Canada web scraping

Since May 2018, Statistics Canada has been obtaining cannabis prices from the websites of illegal online retailers. Since the prices collected through web scraping include only illegal online purchases of cannabis, they are not fully comparable with the StatsCannabis data which include both online and other purchases of illegal cannabis. These data were acquired to support research and validate the price information collected using the StatsCannabis application, and to provide an additional data source. From the second quarter of 2018 to the third quarter of 2019, over 570,000 prices were collected, with more than 413,000 responses passing the validation process.

The web-scraped data indicate a slight increase in prices over the past few quarters. This data source also shows a strong inverse relationship in which prices decline as the quantity of cannabis purchased increases. In the third quarter, web-scraped data showed that cannabis purchases in quantities of less than 1.5 grams averaged \$10.23 per gram, whereas purchases of 28 grams or more averaged \$5.86 per gram.

Table 3
Price per gram, by quantity purchased (web scraped data)

	Second quarter 2018	Third quarter 2018	Fourth quarter 2018	First quarter 2019	Second quarter 2019	Third quarter 2019
	dollars					
Up to 1.49 grams	10.09	9.75	9.58	9.32	9.59	10.23
1.5 to 6.99 grams	9.09	8.83	8.73	8.46	8.60	9.04
7 to 13.99 grams	8.02	7.98	7.87	7.77	7.92	8.29
14 to 27.99 grams	7.27	7.42	7.23	7.33	7.36	7.72
28 grams or more	5.54	4.94	4.83	5.41	5.26	5.86

Source(s): Statistics Canada, web-scraped data.

Definitions, data sources and methods: survey number [5263](#).

The product *Cannabis Stats Hub* ([13-610-X](#)) is available.

The *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)) is also available.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is also available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is also available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).