

A PERSPECTIVE IN THE PROFITEERING OF MARIJUANA



There are a growing number of both individuals and organizations that are profiting from the business of growing marijuana in California. Law Enforcement has seen hundreds of cases involving illegal indoor and outdoor marijuana grows within the past year. The reason for the increase in marijuana grows in California is simple: money. Suspects are finding that it is much easier to grow marijuana than take their chances on other drugs. How much money can be made growing marijuana? Based on information from Marijuana Business News, “the average indoor marijuana grower will earn about \$23,000 per year per grow light. Five lights will produce about \$115,000 per year; ten lights will produce about \$230,000 per year, and so forth”.

INDOOR GROWS	
Number of Lights	5
Watts per light	1,000
Purchase cost per light	350
Total cost for lights	1,750
Soil, containers, fertilizers and miscellaneous	500
Electrical costs	
Total kilowatts per hour	5
Hours per day of light	12

Total kilowatt hours per day	60
Total kilowatt hours per month	1,800
Cost per kilowatt hour	\$0.14
Total electricity cost per month	\$250
Total Electricity costs for three months (one grow cycle)	\$750
Total watts of light	5,000
Net production in grams (assuming one-half gram per watt)	2,500
Net production in pounds	5.5
Sale price per pound	5,500
Total sales per 90-day crop	30,250
Less cost of electricity	750
Net profit per 90-days	29,500
Total sales per year	118,000
Less annual cost of electricity	3,000
Net profit per year	115,000

When it comes to growing marijuana outdoors, it is very difficult to calculate how many plants can be grown per acre of land. There are several things that come into play. The condition of the soil, the temperature, availability of water and watering schedules. All of these can play a part as to the yield of marijuana from each crop. There have been many arguments as to how much usable marijuana can be gleaned from one plant. Of course, depending on the size of the plant, this varies. In researching this project it was found that an average of (4) ounces per plant was the consensus. The following pertains to an individual growing marijuana on one acre of land.

OUTDOOR GROWS	
One acre of land leased per year	\$800.00
Number of plants per acre with one plant every three feet	24,500 plants
Labor (if owner operated)	0
Amount paid for electricity (pump) per month	\$40.00
Net production in pounds @ ½ pound per plant	12,250 pounds
One crop per year @ \$2,000 a pound	24,500,000.00
Net profit per year	24,498,720.00

On November 5, 1996, California voters passed Proposition 215, which allowed for the cultivation and use of marijuana by seriously ill individuals upon a physician's recommendation. Under California law, medical marijuana patients and their primary caregivers may "collectively or cooperatively" cultivate marijuana for medical purposes." Cooperatives and Collectives have sprung up in California in an effort to serve the marijuana patients. These Cooperatives are non-profit organizations however, research shows that they can and do make money. Can you become a millionaire having a marijuana store? The answer is yes if you follow the guidelines set forth in Marijuana Business News.

COLLECTIVES	
Date you will start you business	7/22/2008
Customers per day	50
Average number of one-eighth ounce packets bought by each customer	4
Average retail price per one-eighth ounce	\$65.00
Number of days the store will be open each week	7
Average wholesale price of marijuana per pound	\$4,500

Number of employees besides yourself	0
Monthly salary per employee	0
Other monthly overhead (store rent, utility bills, etc)	\$2,000
Your monthly salary	\$5,000
YOU WILL BECOME A MILLIONAIRE	JUNE 9, 2009

Information provided from:
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