

Will California Wildfires Cause Spike In Marijuana Prices?

The recent wildfires in Northern California have destroyed nearly 6,000 structures and have burned over 200,000 acres of land — an area the size of New York City. The fires also have killed at least 40 people.

According to reports in the [New York Times](#), the fires also have destroyed many of the region's marijuana farms in Mendocino County. Mendocino is one of the three California counties that make up the "Emerald Triangle," where much of the marijuana consumed in the United States is grown. Dozens of farms have burned, and others have been "scorched" or have had their crops covered by heavy smoke from the fires. Smoke-exposed crops may be more vulnerable to disease, and may smell more like fire rather than what the buyers had been expecting.

The fires come just as farms prepared to harvest the crops and to sell them to medical marijuana dispensaries for use in the upcoming year. Other farms had been getting ready for California's opening of the recreational marijuana market in 2018. At least one analyst predicts that prices could rise as much as [10% to 20% due to the fires](#).

The crop loss is financially crippling for many of these farms. Because federal law still prohibits the sale of marijuana, many farms are unable to obtain insurance or federal aid to cover crop losses. Although general fundraisers for fire victims are permitted, credit card processors will not permit online fundraisers for marijuana-related purposes.

Like Massachusetts, California voters approved the recreational use of marijuana in November 2016. Rules permitting legal sales of marijuana for recreational use in California do not go into effect until January 2018.

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