

Street Value Encyclopedia Article

Street Value

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When drugs are seized by a police or interdiction agency, the significance of the seizure is often measured in terms of its street value, that is, the revenues that would be fetched if each gram were sold at the current retail price. Such measures are routine among police and customs service agents in the United States and in most other nations, although large price fluctuations can occur from one area to another and within short time frames.

The use of the term *street value* is potentially misleading when it is intended to convey the significance of the seizure as a loss to the traffickers. The price of drugs rises steeply as they move down the distribution chain from point of importation. In the 1990s, for example, a gram of cocaine could sell on the streets of a U.S. city for about \$75. That gram (1,000 milligrams) contained approximately 700 milligrams (mg) of pure cocaine—so that the "pure gram" price was about \$106. Yet when sold in 100-kilogram (kg) units at the point of import, the cocaine could have sold for a pure-gram price of about \$20. Thus it would cost drug traders \$2 million to replace the 100 kilograms. That figure is the total value of payments that would have to be made to growers, refiners, and smugglers in order to obtain another 100 kilograms and bring the drug to the same point in the distribution system.

Valuing a 100-kg seizure at street value would then imply that the government had inflicted a \$10.6 million blow to the drug industry, more than five times as much as the true value of the loss. The extent of overstatement increases with the size of the seizure, since the price of drugs goes down as the volume increases in a given transaction.

See Also

Drug Interdiction; Drug Laws: Prosecution Of; Seizures of Drugs)