



STATEMENT OF OPPOSITION TO HOUSE BILL 453
Health - Medical Cannabis Reauthorization Act
February 16, 2021

The Maryland Wholesale Medical Cannabis Trade Association (CANMD), an organization representing the majority of medical cannabis grower and processor licensees in Maryland, submits this statement in opposition to House Bill 453. Despite this policy opposition, we appreciate the intent of the sponsor and his work to bring much needed diversity and inclusion to this industry and many others across the State.

House Bill 453 seeks to add an unlimited number of new grower and processor licenses to the Maryland medical cannabis program. This Committee has spent several years considering the need for additional medical cannabis licenses. In 2018, House Bill 2 – supported by CANMD – added 7 new grower licenses and 13 new processor licenses to the originally authorized number of licenses. Two of the House Bill 2 licensees are now producing medical cannabis, and 3 more grower licensees and 8 more processor licensees were pre-approved by the Maryland Medical Cannabis Commission last October.

During the 2020 Session, Chair Pendergrass asked the Commission to procure a market analysis to provide objective information on, among other issues, the current level of supply and demand in the medical program. On December 11, 2020, the study was released and determined that the “current supply infrastructure can adequately meet demand for medical cannabis.” (*Comprehensive Market Analysis of Medical and Adult-Use Cannabis in Maryland*, Executive Summary p. vii.) In analyzing future demand, the report notes that there is current capacity that has not yet been utilized. The study did not discuss the expected capacity of the five grower licensees that have not received final approval and are not in production.

Reflecting the increasing supply, the price of medical cannabis for patients declined by 32% during 2018 and 2109, placing Maryland’s price of medical cannabis “at the lower end of the price range, with only three states . . . having lower prices.” (*Market Study*, p. 12-13) Simply put, the data analyzed in the Market Study does not support the need for additional licenses.

As a policy matter, we note the potential challenges to the Commission in regulating an industry with unlimited licensees. Maryland’s program has strong requirements for facility security, seed-to-sale tracking, testing and quality control, among other issues, all of which are more difficult to regulate at an unknown and uncapped number of facilities.

CANMD appreciates the strong leadership Delegate Barnes demonstrates in the Legislative Black Caucus, and looks forward to working with him, the Caucus, the Committee and the General Assembly to continue to improve Maryland’s well regulated and respected medical cannabis program and promote diversity and inclusion in all aspects of the industry.