



**STATEMENT OF OPPOSITION TO HOUSE BILL 706**  
**Medical Cannabis – Dispensary Grower-Processor License**  
**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 706.

House Bill 706 seeks to add a potential 40-45 new licenses to the Maryland medical cannabis program by creating the new licensing category of Grower-Dispenser license. While we appreciate the intent of the sponsor, 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 grower licensees are currently producing 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 there is current capacity that has not yet been utilized. The study did not appear to discuss the expected capacity of the five grower licensees that have not received final approval.

Reflecting the increasing supply, the price 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.

If the Committee is to consider House Bill 706, it is worth noting policy issues with the bill. First, the bill would require the evaluation of applications based on the 2016 process, which the General Assembly changed in House Bill 2 of 2018 in favor of a process that promoted diversity and inclusion. Second, it allows only one group of people to apply for this new, vertically-integrated license – current medical cannabis dispensary licensees that do not hold an interest in more than one dispensary (despite current Maryland law that permits an interest in up to 4 dispensaries). These licensees can apply even if they did not apply for a processor or grower license during the original process.

CANMD looks forward to working with the sponsor, the Committee and the General Assembly to continue to improve Maryland’s well regulated and respected medical cannabis program.