

November 6, 2013

To: Licensed Non-Profit Producers (LNPP)

From: Ken Groggel, Manager
Medical Cannabis Program (MCP)

Re: Third Quarter Report Summary

The following information is compiled from the quarterly data reports submitted by the LNPPs. This information is intended for the Dept. of Health and LNPPs and is considered an estimate only.

Patients:

- Number who purchased this quarter – 12,547. Average per LNPP – 545. High – 1465 & 1285. Low – 2 & 49. Two producers reported serving fewer than 100 patients. It appears that all LNPPs followed the instructions provided on the 2nd quarter summary and reported patient purchase numbers correctly. We thank you. It also appears that some producers are shifting their focus from patient sales to Producer to Producer Transactions.
- Average amount purchased per patient – 20 grams. High – 58 & 54.85. Low – 2 & 2.14. Five producers reported more than 30 grams average per patient. Six producers reported less than 7 grams average per patient. There continues to be confusion regarding the formula for this data point. We have identified the problem and will clarify on the data collection form for the 4th quarter.

Production:

- Total plants in production – 3,187. Average per LNPP – 138. High – 150 X 11 LNPPs. Low – 65 & 84. Three producers reported having 100 plants or less.
- Total yield – 322,463 grams. Average per LNPP – 14,020. High – 39,964 & 35,119. Low – 331 & 3012. Four producers reported yields less than 6,000 grams.

Income:

- Total receipts - \$4,124,827. Average per LNPP - \$179,340. High - \$520,007 & \$449,524. Five producers reported total receipts over \$300,000.00. Low – \$31,907 & \$39,001. Eleven producers reported total receipts less than \$100,000.00. One producer reported spending more in salaries, stipends or other compensation than total income received.

Expenses:

- Gross receipts tax paid - \$294,001. Average per LNPP - \$12,783. High - \$36,725 & \$33,989. Low - 0 & \$2,198. Seven producers reported less than \$5,000 in gross receipts tax paid.
- Salaries, stipends and other compensation - \$1,397,238. Average per LNPP - \$60,749. High - \$178,421 & \$158,775. Four producers reported compensation over \$100,000.00. Low – \$6,000 & \$17,460. Three producers reported compensation less than \$20,000.00.

Producer to Producer or Manufacturer Transactions:

- Total transactions – 163. Average per LNPP – 7. High – 30 & 28. Low – Five producers reported 0 transactions. Two producers reported cannabis-derived product (CDP) coming in, no plant material going to the manufacturer. Two producers reported activity with no transaction reports submitted during the quarter. Approximately 70% of quarterly report documentation matched producer transaction reports. Six producers' transaction reports matched their quarterly report.

When comparing the transaction reports with the quarterly report, I believe we can improve the reporting process. At present the following requirement applies to the April 1 tracking and reporting procedures: **The movement of medical cannabis or cannabis-derived products to or from a location other than the LNPPs production or distribution facility will be reported to the MCP within 24 hours as described in the Cannabis Sales & Movement notice dated April 1, 2013.**

*Current exceptions include: cannabis or derived product testing, medicine delivery services and with written, prior approval from the MCP.

Patient and Caregiver Purchases:

- Purchases of 28 grams or more at one time – 734. High – 119 & 96. Low – Two producers reported no sales of 28 grams or more. Reporting errors included partial MCP ID codes, and the use of patient name instead of MCP ID code. A review of the data this quarter revealed that five producers exceeded the Adequate Supply definition in the regulations by selling more than 6 ounces of usable cannabis to a patient or caregiver in a 3 month period. Two producers are repeat offenders, one with the same patient. These producers will be contacted and may be subject to further action as described in 7.34.4.15 NMAC.

Let me know if you have any questions.

Thank you for your continued support and service to the qualified patients of New Mexico.