

# New Mexico Medical Cannabis Program: State-Licensed Production, Sales and Patient Services

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**More than 45,000 New Mexicans<sup>i</sup> with serious illnesses participate in the medical cannabis program. For many, medical cannabis is the only medicine that works to improve their quality of life.**

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New Mexico created a regulated system for medical cannabis access in 2007 when the *Lynn and Erin Compassionate Use Act* was signed into law. Since 2007 patient participation in the program has grown steadily.

**New Mexico's program was the first in the nation to license medical cannabis producers at the state level:**

Thirty-six (36) producers are authorized to grow and dispense medical cannabis to New Mexicans enrolled in the Medical Cannabis Program (MCP). State-licensed producers adhere to strict rules and regulations, similar to those governing the production and sale of agricultural and medicinal products.

Like other regulated substances, sales are restricted to those who are eligible; in order to purchase medicine qualified patients must present their Department of Health (DOH) MCP patient license and their state issued government identification. Pediatric patients must have an authorized adult caregiver present to obtain medicine. Caregivers also register with the DOH and get ID cards.

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**Legalizing marijuana leads to housing values appreciating an average of six percent (6%).<sup>ii</sup> Further, neither the existence of medical cannabis dispensaries, nor dispensaries selling cannabis in adult social use markets have been shown to increase the rates of property crime or violent crime where they are located.<sup>iii, iv, v</sup>**

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**Public safety, crime, and property value:**

State licensed medical cannabis producers are aware of the stigma and prejudice their operations face, because of that they are motivated to be excellent neighbors. Dispensaries and growing operations are required to have security systems and cameras, similar to jewelry stores or banks.

Many cannabis businesses also support patients by offering therapeutic services for free to their clients. Services provided range from classes on medical cannabis use, support groups, yoga instruction, and various types of body work. Producers also support local community projects and organizations through charitable giving.

Virtually all marijuana-related violence is a direct result of prohibition, which keeps responsible, regulated businesses out of the market. Since illegal businesses have no legitimate means to settle disputes, violence inevitably results – just as it did during alcohol Prohibition in the 1920s. Medical cannabis in New Mexico addresses some of the greatest harms of prohibition – such as the harmful health consequences of medicine produced without regulatory oversight.

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**Product testing and labeling: NM medical cannabis must meet strict standards for health and safety before it can be sold.**

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**The Department of Health monitors medical cannabis from “seed-to-sale”:**

DOH contracts software, Biotrack®, which links patients, producers and medicine. Each plant that is grown is linked to the software with a barcode. Medicine is authorized for sale once it is tested and verified by a laboratory. There are four (4) testing laboratories in New Mexico. Labs are licensed by the MCP in collaboration with the NM Dept. of Environment.

At minimum, medical cannabis is tested for contaminants (including microbial bacteria, mold, and pesticides). It is also tested for concentration of two of the main medicinal compounds in the cannabis plant, cannabidiol (CBD), and tetrahydrocannabinol (THC). Medicine is required to be labeled with the percentages of THC and CBD. Products derived from raw cannabis must also be labeled with potency and dosing information.

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**In 2016 sales of medical cannabis in New Mexico were nearly \$98 million, and generated around \$8 million in sales taxes. Sales are projected to top \$131 million by 2021.<sup>vi</sup> DOH collected nearly \$3 million in fees from non-profit medical cannabis producers for licensure for the 2018 fiscal year.<sup>vii</sup>**

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**The medical cannabis industry supports New Mexico’s economy:**

Licensed producers employ hundreds of people around the state. The Department of Health employs more than 25 full-time staff to administer the program. All of these jobs mean money for New Mexico’s economy, and payroll and income taxes for the state.

The MCP requires producers to renew their operating licenses annually. Each medical cannabis producer can grow up to 450 plants, for a fee of up to \$90,000. All grow sites are inspected by the Department of Health before operational approval is granted.

	<b>Qualifying Medical Conditions (2017)</b>
1	Amyotrophic lateral sclerosis (ALS) (Lou Gehrig's disease)
2	Cancer
3	Crohn's disease
4	Epilepsy
5	Glaucoma
6	Hepatitis C undergoing retro-viral treatment
7	HIV/AIDS
8	Hospice care
9	Huntington's disease
10	Inclusion body myositis
11	Inflammatory autoimmune-mediated arthritis
12	Intractable nausea / vomiting
13	Multiple sclerosis
14	Painful peripheral neuropathy
15	Parkinson's disease
16	Post-traumatic stress disorder (PTSD)
17	Severe anorexia / cachexia
18	Severe chronic pain
19	Spasmodic torticollis (cervical dystonia)
20	Spinal cord damage w/ intractable spasticity
21	Ulcerative colitis

The current Medical Cannabis Program follows precedent set by New Mexico State Legislature in 1978. *The Controlled Substances Therapeutic Research Act*, which required the New Mexico Health and Environment Department to work with doctors at UNM School of Medicine, St. Joseph’s Hospital and the NM Cancer Control Program to design research protocols and report back to state legislature on the efficacy of marijuana as a therapeutic drug for cancer and glaucoma.

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**NOTE: The entire budget for the medical cannabis program is derived from the annual fees paid by licensed producers. The MCP receives no legislative appropriation.**

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- <sup>i</sup> NM Dept. of Health Medical Cannabis Program Patient Statistics July, 2017  
<https://nmhealth.org/publication/view/report/3615/>
- <sup>ii</sup> Cheng, Cheng, et al., *The Effect of Legalizing Marijuana on Housing Values: Evidence from Colorado*, University of Mississippi, January 2017
- <sup>iii</sup> Freisthler, Bridget, Keppler, N. *The Relationship between Crime and Medical Marijuana Dispensaries*  
<http://resources.prev.org/documents/CrimeMedicalMarijuanaDispensaries.pdf>
- <sup>iv</sup> Viarica, Hans *Medical Marijuana Dispensaries Don't Attract Crime*, The Atlantic, June 2012 (accessed July 25, 2017)  
<https://www.theatlantic.com/health/archive/2012/06/study-of-the-day-medical-marijuana-dispensaries-dont-attract-crime/258916/>
- <sup>v</sup> Edward Staggs, Brooke *Marijuana dispensaries are not magnets for crime, study says. Here's why*, The Cannifornian. July 2017 (accessed July 25, 2017)  
<http://www.thecannifornian.com/cannabis-health/research-studies/marijuana-dispensaries-not-magnets-crime-study-says-heres/>
- <sup>vi</sup> *The State of Legal Marijuana Markets, 5th ed.* Arcview Market Research. (p 202)

<sup>vii</sup> NM Dept. of Health Medical Cannabis Program 2017-2018 Licensed Non-Profit Producers Re-Licensure (accessed July 25, 2017)  
<https://nmhealth.org/publication/view/general/3604>  
Thirty-five (35) NM State Licensed Non-Profit Medical Cannabis Producers paid an average of \$83,000\* in licensing fees to NM DOH Medical Cannabis Program in July 2017, for FY 2018, totaling \$2,910,000. Funds are used to fund administration of the program; unused funds revert to the state General Fund at the end of the fiscal year.

\*New Mexico has the highest licensing fees in the nation, and some of the lowest plant counts allowed. Producers pay the state \$200 for each plant they intend to grow, up to 450 plants (\$90,000). All together they are licensed to grow 14,550 plants.

The medicine they get from 14K plants supplies a patient base of 45K, meaning medicine from one plant must supply three people.

(alternate phrasing) At this time the collective total number plants that a producer can grow is less than 1/3 of the number of patients in the medical cannabis program.