

August 16, 2013

To: Licensed Non-Profit Producers (LNPP)

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

Re: Second 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 – 13,462. Average per LNPP – 585. High – 2789 & 1264. Low – 8 & 53. Three producers reported serving fewer than 100 patients. It appears that a few LNPPs may have reported total patient sales/transactions or LNPP to LNPP transactions. **This data requirement counts each patient once who made one or more purchased from the LNPP during the quarter. It is NOT the number of total sales or sales per patient.**
- Average amount purchased per patient – 30 grams. High – 50.52 & 47.64. Low – 1 & 3. There continues to be confusion regarding the formula for this data point. It is not the average per sale. **The correct calculation is: Total grams sold by the LNPP divided by the number of individual patients who purchased equals the average amount purchased per patient during the quarter.**

Production:

- Total plants in production – 3,307. Average per LNPP – 143. High – 150 X 11 LNPPs. Low – 99 & 130. One producer reported having less than 100 plants.
- Total yield – 289,338 grams. Average per LNPP – 12,580. High – 43,517 & 26,848. Low – 0 & 2093. Five producers reported yields less than 6,000 grams.

Income:

- Total receipts - \$3,887,866. Average per LNPP - \$169,038. High - \$511,629 & \$399,935. Five producers reported total receipts over \$300,000.00. Low – \$11,737 & \$18,980. Seven producers reported total receipts less than \$100,000.00.

Expenses:

- Gross receipts tax paid - \$267,364. Average per LNPP - \$11,625. High - \$39,066 & \$32,691. Low - 0 & \$155. Six producers reported less than \$5,000 in gross receipts tax paid.
- Salaries, stipends and other compensation - \$1,337,566. Average per LNPP - \$58,155. High - \$172,009 & \$160,940. Three producers reported compensation over \$100,000.00. Low – \$2,000 & \$8,747. Four producers reported compensation less than \$20,000.00.

Producer to Producer or Manufacturer Transactions:

- Total transactions – 165. Average per LNPP – 7. High – 23. Low – Four producers reported no transactions. Six producers did not provide the Product Form or Name code. Four producers’ transaction reports matched their quarterly report. Five producers reported activity quarterly with no transaction reports. A few producers reported testing, which is greatly appreciated but not tracked at this time. Approximately 49% of quarterly report activity matched producer transaction reports.

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 as described in the Cannabis Sales & Movement notice dated April 1, 2013.**

*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 – 729. High – 181 & 81. Low – Three producers reported no sales of 28 grams or more. Reporting errors included partial MCP ID codes, and ounces instead of grams. As promised, a closer review of the data this quarter revealed that six producers appear to have 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. 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.