



December 29, 2023

The Honorable Tate Reeves
Governor of the State of Mississippi
P.O. Box 139
Jackson, MS 39205

Sent via email: governor@govreeves.ms.gov

Dear Governor Reeves:

In accordance with the Mississippi Medical Cannabis Act (the Act), I am pleased to share with you the required annual report for the Mississippi Medical Cannabis Program (MMCP). Upon passage and your signature of the Act in February 2022, the Mississippi State Department of Health (MSDH) and the Mississippi Department of Revenue (MDOR) began working together to bring the medical cannabis program to fruition in our state. Collaboratively, both agencies met their ambitious deadlines to establish rules and regulations and begin issuing business licenses, dispensary licenses, patient registry identification cards, and work permits as required by the Act. Now, nearly two years after the Act was signed, the Mississippi Medical Cannabis Program has made tremendous progress, which I am pleased to share with you.

This report is the annual accounting to the Governor regarding the discharge of responsibilities granted to the Mississippi State Department of Health (MSDH) and Mississippi Department of Revenue (MDOR) by [MS Code Ann. § 41-137-27 (1)(2)] and encompasses activities occurring during the 2023 calendar year.

Program implementation and expansion continued throughout 2023. In this first full calendar year of implementation, the population of patients, patient caregivers, and facility agents continued to grow as the program matured. APY 2023 marked the inaugural year for retail sales of



medical cannabis product to qualified cardholders. Additionally, numerous medical cannabis establishments obtained approval to operate, many others commenced operations. As reflected by the data, most establishments licensed in 2022 submitted license renewal applications in 2023.

During 2023, as a majority of licensees received approval to operate, the Office of Medical Cannabis shifted its focus and allocated more resources toward ensuring the industry's adherence to quality standards for medical cannabis products, as well as commercial operations. This involved consistent regulation of the industry to ensure compliance with the Act and applicable regulations, with the primary goal of fostering a safe environment for qualifying patients to access medical cannabis in the state.

Currently, 393 medical cannabis establishments hold licenses to operate. Please see the enclosed data for a breakdown of types of licensed medical cannabis establishments. 3,099 individuals hold permits, allowing individuals to gain employment in Mississippi's medical cannabis industry. Furthermore, 207 practitioners are registered to certify qualifying, debilitating conditions in patients for whom medical cannabis may be of therapeutic benefit. The current cardholder count stands at just over 32,000 for patients and 190 caregivers as of the end of the calendar year. We are accepting petitions for the addition of debilitating conditions; however, thus far, none have provided sufficient data or supporting research for approval. Therefore, the list of conditions remains limited to those specified in The Act.

In 2023, the Medical Cannabis Program has generated \$8,782,730.00 in application and licensure fees. Through the compliance and regulatory activities of both agencies, MSDH has collected \$65,000.00 and DOR \$51,000.00 in fines this year. Additionally, the Program has netted \$949,641.72 in Cannabis Excise Tax and \$2,345,387.18 in Cannabis Sales Tax. Furthermore, approximately \$44,407,373.00 has been generated in retail sales of medical cannabis since the first sales occurred in late January 2023.

MMCP 2023 Noteworthy Milestones



During this past year, MMCP reached several noteworthy milestones including:

- ☑ **Launching of Product Sales:** MMCP began issuing patient cards in June 2022 and sales began in late January 2023 upon opening of the first medical cannabis dispensaries. Few other states were able to launch their medical cannabis program so quickly after initial passing of legislation.
- ☑ **Expeditious Growth in Patient Cardholder Numbers:** Upwards of 32,000 Mississippians, or roughly 1% of the population, are now patient cardholders. Patients are now able to access medical cannabis products, including edibles, topicals, and oils. These cards are valid for one year and can be extended with submission of a renewal application. Patients must be diagnosed with a qualifying medical condition to be eligible for the program.
- ☑ **Website Launch:** The new MMCP website has been designed to enhance the user experience and make it easier for visitors to find the information needed. With a clean and intuitive design, users can navigate through our various sections and quickly find the desired information.
- ☑ **Professional & Public Education Initiatives:** Education and outreach initiatives are a priority of the MMCP. During the past year, representatives from the program presented to groups of healthcare providers, students, law enforcement, MS Sheriff Association, hospital administrators, The ARC, MS Public Institute of Health, MS Psychiatric Association, MS State Medical Association, Elder Law Association, UMMC Providers, various attorney groups, the general public, and more. Meaningful relationships with academic institutions and non-profit, trade, and professional organizations such as The National Center for Cannabis Research and Education at the University of Mississippi, The MS Cannabis Patients Alliance, MS State Medical Association, 3MA, MS Independent Cannabis Association, and the MS Cannabis Trade Alliance have been formed



- ☑ **Regulation Revisions:** The Office of Medical Cannabis promulgated revised regulations addressing issues such as the need for broader sanitation standards, enhanced biosecurity measures, elevated testing requirements, stricter controls over environmental conditions, and stronger definitions to aid in enforcement. Subsequently, these revisions were formally adopted by the Mississippi State Board of Health
- ☑ **Software Improvements:** The licensing system has seen numerous improvements, enhancements, and workflow additions in the past year. Improvements include:
 - removal of unnecessary steps in the application process for patients and providers
 - addition of more instructional text to prompt applicants during the online application process; and,
 - updated user guides and educated certifying practitioners and patient advocates on how to assist patients with the application process.

Moreover, I would like to applaud the Mississippi Department of Revenue and the MSDH Office of Medical Cannabis staff for their tireless efforts to ensure the program operates efficiently and in compliance with state law.

I look forward to seeing the continued positive effects on our citizens' health as the program evolves and improves.

In case of any questions or concerns regarding the Medical Cannabis Program or any other public health issue, please do not hesitate to contact me.

Sincerely,

Daniel Edney, MD

Daniel P. Edney, MD, FACP, FASAM

State Health Officer



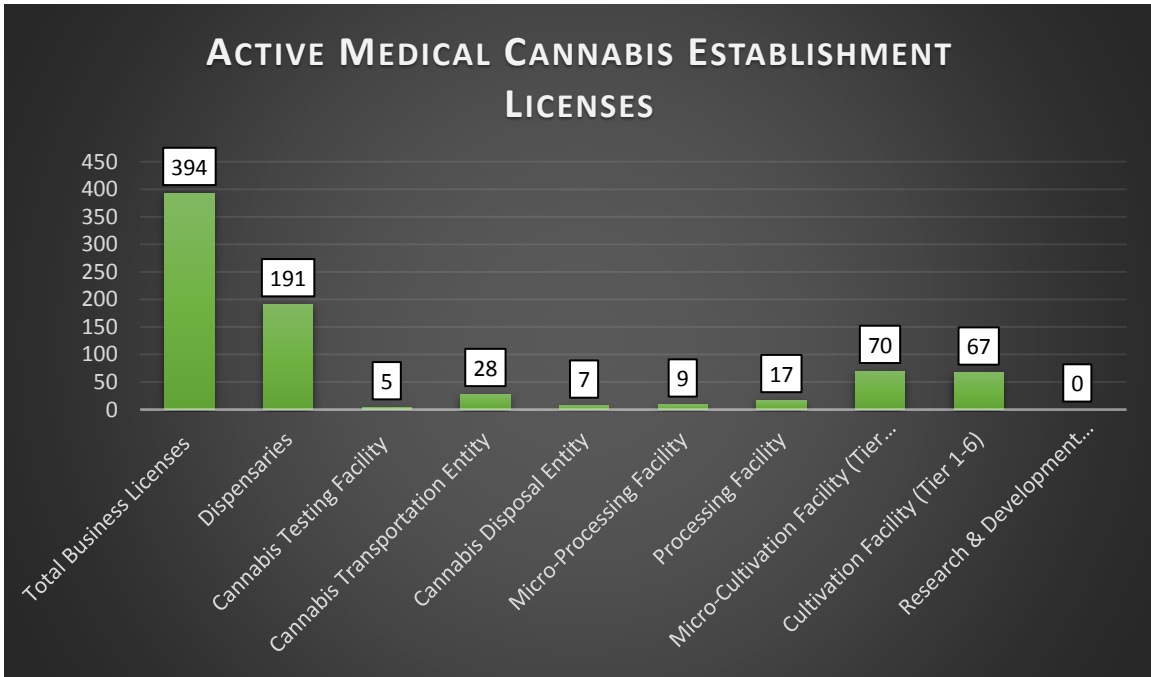
Application And License Fees	Amount Collected
Dispensary License Application Fee	\$735,000.00
Dispensary License Fee	\$1,225,000.00
Dispensary License Renewal Fee	\$3,725,000.00
Patient Application Fee - New	\$675,625.00
Patient Application Fee - Renewal	\$54,700.00
Non-Resident Patient Application Fee - New	\$13,875.00
Patient Application Fee for Medicaid Participant-New	\$38,970.00
Patient Application Fee for Medicaid Participant Renewal	\$2,265.00
Caregiver - New	\$5,725.00



Caregiver Background Fee - New	\$8,473.00
Micro Cultivator Tier One Application Fee - New	\$19,500.00
Micro Cultivator Tier One License Fee - New	\$26,000.00
Micro Cultivator Tier One License Fee - Renewal	\$46,000.00
Micro Cultivator Tier Two Application Fee - New	\$32,500.00
Micro Cultivator Tier Two License Fee - New	\$45,500.00
Micro Cultivator Tier Two License Fee - Renewal	\$45,500.00
Cultivator Tier One Application Fee - New	\$100,000.00
Cultivator Tier One License Fee - New	\$300,000.00
Cultivator Tier One License Fee - Renewal	\$195,000.00
Cultivator Tier Two Application Fee - New	\$70,000.00
Cultivator Tier Two License Fee - New	\$175,000.00
Cultivator Tier Two License Fee - Renewal	\$225,000.00
Cultivator Tier Three Application Fee - New	\$20,000.00
Cultivator Tier Three License Fee - New	\$50,000.00
Cultivator Tier Three License Fee - Renewal	\$100,000.00
Cultivator Tier Four License Fee - Renewal	\$75,000.00
Cultivator Tier Five Application Fee - New	\$40,000.00
Cultivator Tier Five License Fee - New	\$100,000.00
Cultivator Tier Six License Fee - Renewal	\$300,000.00
Micro Processor Tier One Application Fee - New	\$18,000.00
Micro Processor Tier One License Fee - New	\$31,500.00
Micro Processor Tier Two Application Fee - New	\$10,000.00
Micro Processor Tier Two License Fee - New	\$20,000.00
Micro Processor Tier Two License Fee - Renewal	\$5,000.00
Processor License Fee - New	\$60,000.00
Processor License Fee - Renewal	\$80,000.00
Transportation Application Fee - New	\$200,000.00
Transportation License Fee - New	\$75,000.00
Transportation License Fee - Renewal	\$112,500.00
Disposal Application Fee - New	\$60,000.00
Disposal License Fee - New	\$5,000.00
Disposal License Fee - Renewal	\$7,500.00
Testing Application Fee - New	\$22,500.00
Testing License Fee - New	\$20,000.00
Testing License Fee - Renewal	\$30,000.00



Research Application Fee - New	\$45,000.00
Work Permit Fee - New	\$57,500.00
TPE Fee	\$133,220.52
Returns and Refunds	(\$132,297.89)
TOTAL	\$8,782,730.00



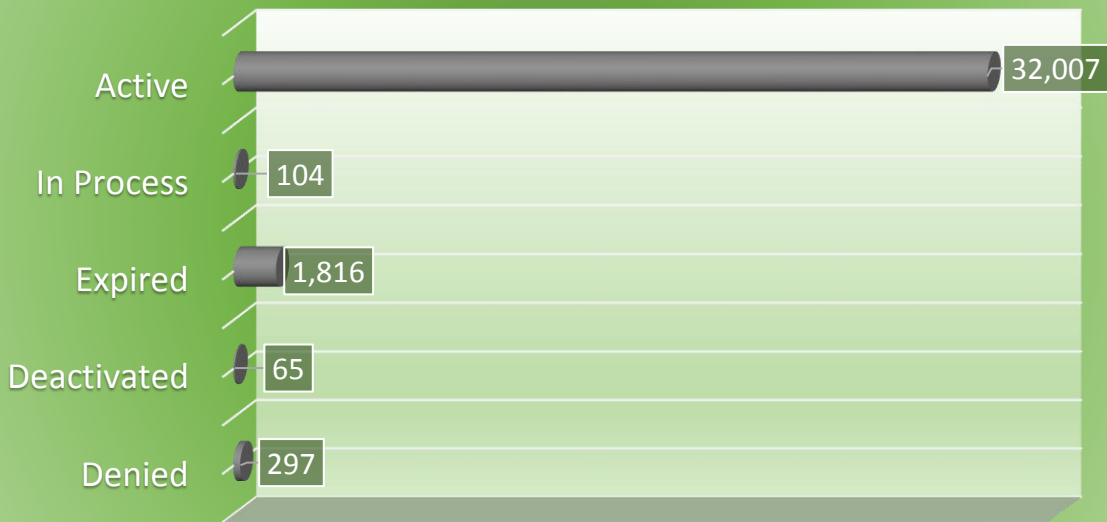


MISSISSIPPI MEDICAL CANNABIS PROGRAM

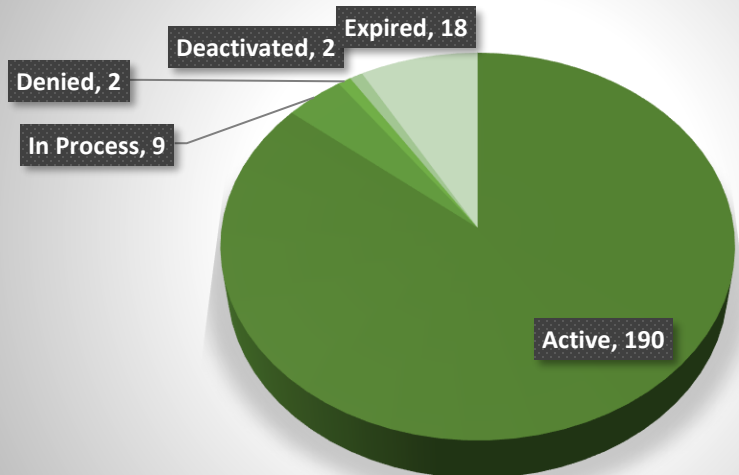
MISSISSIPPI STATE DEPARTMENT OF HEALTH

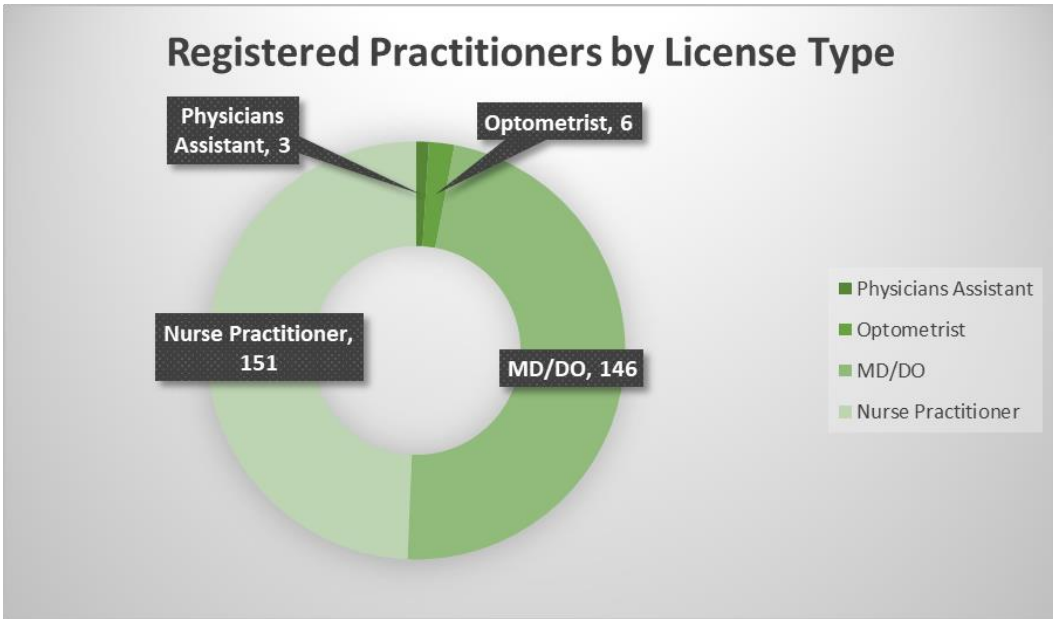
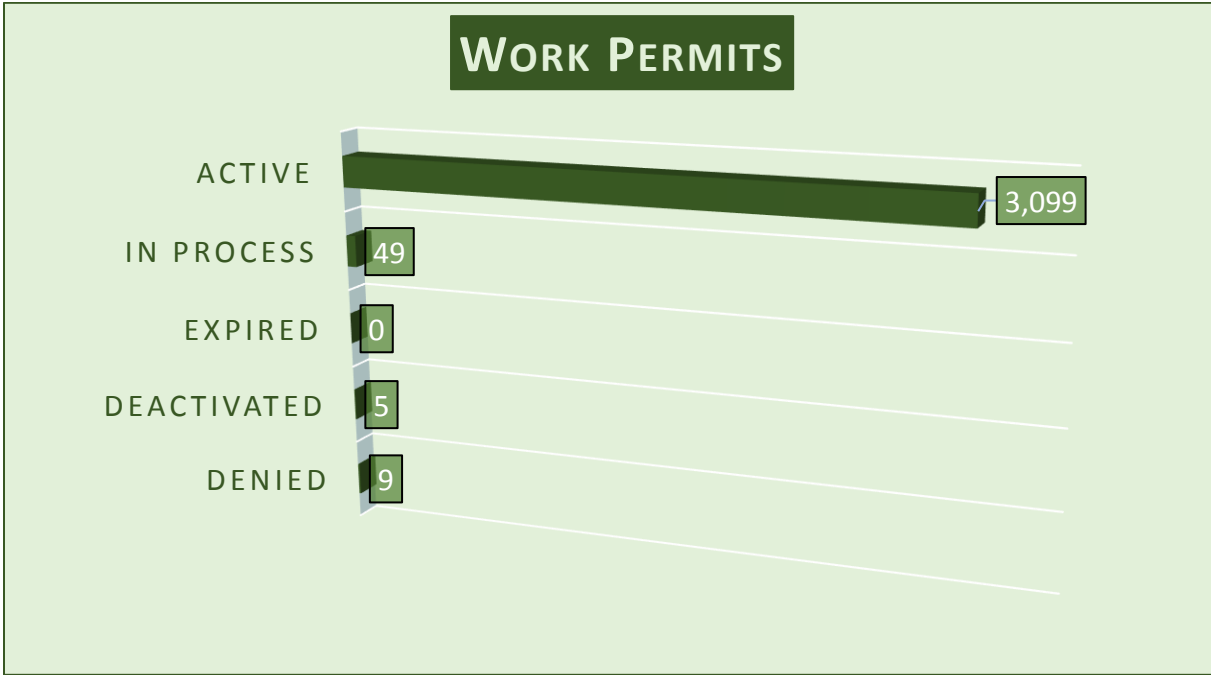


PATIENT APPLICATIONS



CAREGIVER APPLICATIONS







MEDICAL CANNABIS PROGRAM EXPENDITURES BUDGET YEAR 2023

Category	Amount Incurred
*Salaries	\$1,545,707.78
**Travel	\$18,787.17
Contractual	\$3,823,221.55
Commodities	\$89,641.85
Equipment	\$2,499,114.52
Wireless Devices	\$19,128.00
Indirect	\$238,181.98
Total	\$8,233,782.85

** Positions are still being filled. Expected to add at least 5 full-time staff members in first 6 months of 2024*

*** Travel is expected to increase as business licenses are granted due to required on-site compliance visits*

End of Report