

December 30, 2022

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. Upon passage and your signature of the Act in February 2022, the Mississippi State Department of Health and the Mississippi Department of Revenue 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.

To date, two hundred forty-two (242) new businesses have been licensed in this very new industry in Mississippi. Please see the enclosed data for a breakdown of business types. Eight hundred sixty-nine (869) work permits have been issued, allowing individuals to gain employment in Mississippi's medical cannabis industry.

Since its inception, the Medical Cannabis Program has generated just over 9.8 million dollars through application and licensure fees. All fees set by the Act remain unchanged. As this new industry is establishing itself and gaining momentum, we are hopeful that our state will see substantial revenue from the collection of taxes associated with the industry. Due to business startup, there have been no retail sales of medical cannabis. We anticipate that retail sales will begin during the first quarter of calendar year 2023.

Through the compliance and regulatory activities of both agencies, we expect that fines will also bolster revenue associated with the Medical Cannabis Program. During the first six months of the program, there have not yet been any fines collected.

I want to specifically acknowledge our partner agency, the Mississippi Department of Revenue, and the staff of the MSDH Medical Cannabis Program for their relentless efforts in executing the program. As the program continues to evolve and make improvements in efficiencies and operations, I am eager to see the public health impacts it has on our citizens.

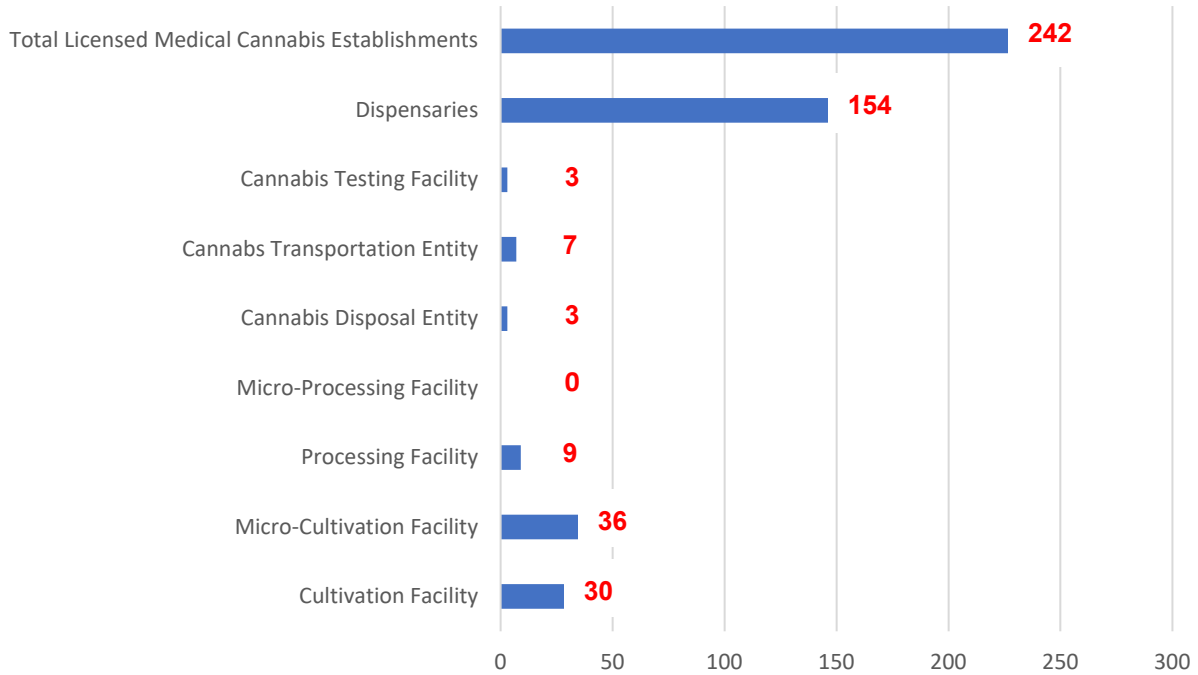
If I can be of any assistance related to the Medical Cannabis Program or any other public health matters, please feel free to contact me.

Sincerely,

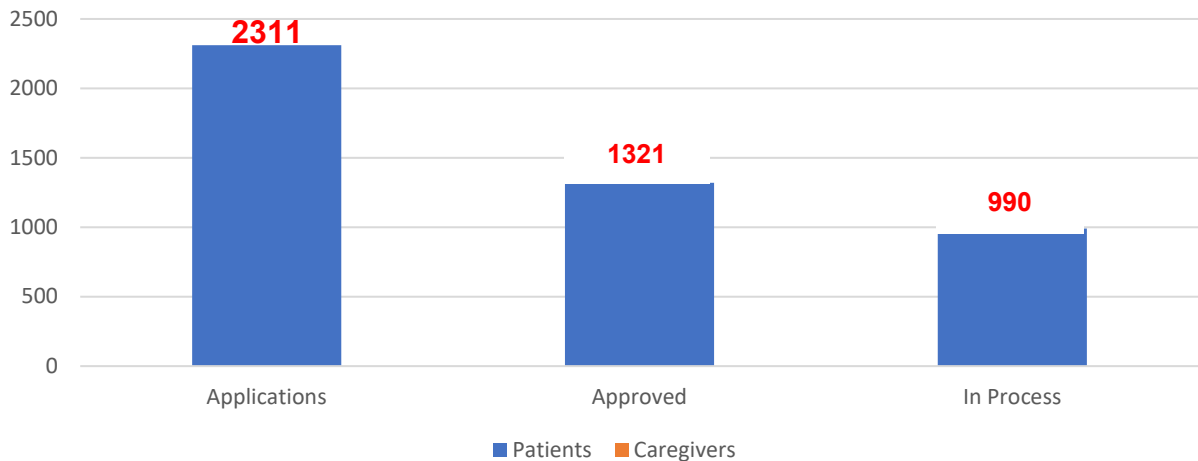
Daniel Edney, MD
Daniel P. Edney, MD, FACP, FASAM
State Health Officer

Fee Type	Amount
AGENT WORK PERMIT FEE	\$ 26,025.00
CC/ACH Fee	\$ 83,961.86
COS* Refunds	\$ (250,000.00)
CULTIVATOR TIER FOUR APPLICATION FEE	\$ 30,000.00
CULTIVATOR TIER FOUR LICENSE FEE	\$ 75,000.00
CULTIVATOR TIER ONE APPLICATION FEE	\$ 100,000.00
CULTIVATOR TIER ONE LICENSE FEE	\$ 300,000.00
CULTIVATOR TIER SIX APPLICATION FEE	\$ 180,000.00
CULTIVATOR TIER SIX LICENSE FEE	\$ 450,000.00
CULTIVATOR TIER THREE APPLICATION FEE	\$ 60,000.00
CULTIVATOR TIER THREE LICENSE FEE	\$ 150,000.00
CULTIVATOR TIER TWO APPLICATION FEE	\$ 150,000.00
CULTIVATOR TIER TWO LICENSE FEE	\$ 375,000.00
DISPENSARY APPLICATION FEE	\$ 2,595,000.00
DISPENSARY LICENSE FEE	\$ 4,325,000.00
DISPOSAL APPLICATION FEE	\$ 30,000.00
DISPOSAL LICENSE FEE	\$ 45,000.00
Fee	\$ (2.25)
MICRO CULTIVATOR TIER ONE APPLICATION FEE	\$ 52,500.00
MICRO CULTIVATOR TIER ONE LICENSE FEE	\$ 70,000.00
MICRO CULTIVATOR TIER TWO APPLICATION FEE	\$ 57,500.00
MICRO CULTIVATOR TIER TWO LICENSE FEE	\$ 80,500.00
MICRO PROCESSOR TIER ONE APPLICATION FEE	\$ 2,000.00
MICRO PROCESSOR TIER ONE LICENSE FEE	\$ 3,500.00
MICRO PROCESSOR TIER TWO APPLICATION FEE	\$ 7,500.00
MICRO PROCESSOR TIER TWO LICENSE FEE	\$ 15,000.00
PATIENT APPLICATION FEE	\$ 46,050.00
PATIENT APPLICATION FEE FOR MEDICAID PARTICIPANT	\$ 3,870.00
PROCESSOR APPLICATION FEE	\$ 225,000.00
PROCESSOR LICENSE FEE	\$ 300,000.00
RESEARCH APPLICATION FEE	\$ 10,000.00
RESEARCH LICENSE FEE	\$ 15,000.00
TEST	\$ -
TESTING APPLICATION FEE	\$ 30,000.00
TESTING LICENSE FEE	\$ 45,000.00
TRANSPORTATION APPLICATION FEE	\$ 70,000.00
TRANSPORTATION LICENSE FEE	\$ 105,000.00
Grand Total	\$ 9,863,404.61

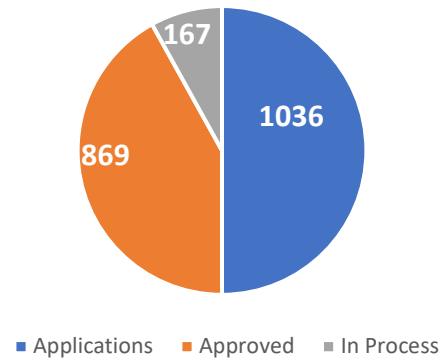
Licensed Medical Cannabis Establishments



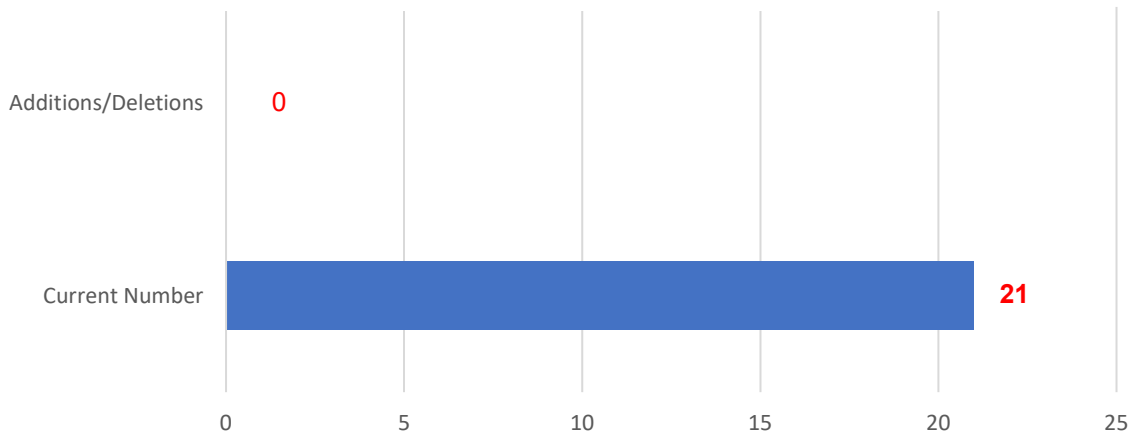
Registry Identification Cards - Patients Enrolled



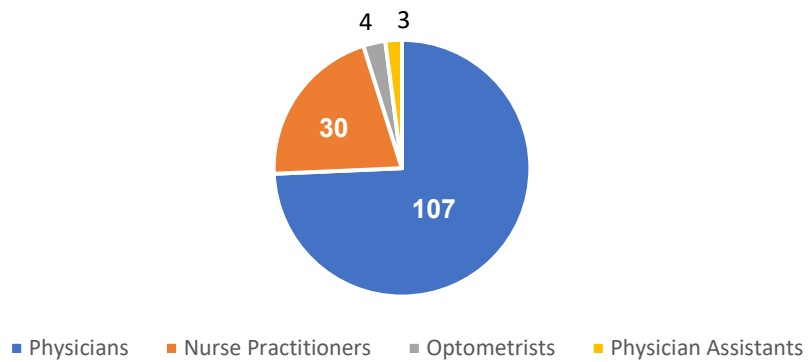
Work Permits



Qualifying Conditions for Medical Cannabis



Enrolled Practitioners



Year One – MSDH Start Up Expenditures Based on Partial Year of the Medical Cannabis Program

Amounts represent expenditures incurred (to date 12/2022) based on year one estimates.

Additional expenditures will be incurred during the second half of the state fiscal year.

Category	Amount Incurred	Fiscal Note
Salaries	683,000.00	Positions are still being filled to augment current staffing.
Travel	4,594.95	Travel is expected to increase during last half of SFY due to increased on-site compliance visits.
Contractual	4,314,880.00	Completion of initial milestones for licensing and seed to sale system. Additional modules, compliance contract, call center, and website for establishment registry to occur during second half of SFY.
Commodities	34,528.00	
Equipment	92,609.50	
Vehicles	211,070.00	
Indirect	80,832.49	
Total	5,421,514.94	

End of Report