

Cannabis Industry Perspectives

Albuquerque's First Integrated
Micro-License aka,
"The Little Guys"

The Fourth Meeting of the Economic and Rural
Development and Policy Committee
October 15, 2024



What is an Integrated Cannabis Microbusiness?

A person or business authorized to conduct one or more the following:

- production of cannabis at a single licensed premises with no more than two hundred (200) total mature cannabis plants at any one time in their possession;
- manufacture of cannabis products at a single licensed premises;
- sales and transportation of only cannabis products produced or manufactured by that person or business;
- operation of only one (1) retail establishment;
- couriating of cannabis products to qualified patients, primary caregivers or reciprocal participants, or directly to consumers.
- A micro integrated cannabis business (MICB) may not have multiple sublicenses of each type under the mother MICB license, only one (1) of each function.

Who is Carver Family Farm?

- New Mexican, woman, patient and grower owned and operated mom and pop
- Production (garden), manufacture (extraction and packaging), and retail (storefront) all under one roof.
- Lease a 6300 sq ft. building and grow all indoor, organically, in no-till living soil using LED lighting and water conscious irrigation methods (Blumat Irrigation Systems).
- Employ 15 hourly employees plus Andrew and myself (Erika) who are owner/operators.
- Lowest hourly pay is \$16/hour - Median hourly pay is \$19.37 (before tips)
- Retail space is open 6 days a week and closed on Sundays.
- Production operation runs 7 days a week.
- **Number of first time customers served since 2022: +/- 4955**
- **Total sales in 2023: \$1,765,655**
- **Excise taxes paid in 2023: \$121,460**

Regulation and Licensing Division

Cannabis Control Division

The New Mexico Regulation and Licensing Department regulates more than 450,000 individuals and businesses in 35 industries, professions, and trades across the state. Our goal is to assure that New Mexicans receive quality services from qualified individuals and businesses while also ensuring a fair and prompt administrative process. **Our priority is your protection.**

The Cannabis Control Division's mission is to ensure the health and safety of all New Mexicans by responsibly licensing and regulating all commercial cannabis operations in the State of New Mexico. The division administers a regulatory structure that encourages a robust, responsible, and legitimate cannabis market while preserving safe consumer access to cannabis by **implementing strong enforcement measures to prevent illicit and unsafe cannabis activity.**

Laboratory Testing - What We Need

We believe in testing and its ability to:

- ensure product is safe to consume.
- quantify data - potency, yield, etc.
- destigmatize cannabis and normalize it as a safe product through education.
- find patterns in terpene profiles which may help consumers match themselves to particular strains for pain relief, sleep, etc.

Laboratory Testing - Our Current Situation

- We have used Scepter, Rio Grande Analytics, Argon and BlueBonnet. Although they are not perfect, Argon labs has proven to be the most consistent with quantifiable lab data for us.
- Argon was recently taken offline due to (we've heard) missing documentation during renewal process. We have no knowledge of when they will be reinstated.
- Most producers/manufacturers are forced to “shop” for the lab who delivers the highest THC%. A strain we grow that consistently tests around **21%** at Argon Labs tested at **13%** with the lab we used when Argon went offline. How do we explain to customers/patients?
- We were recently asked to “cherry pick” our best buds to bring over for testing from one of the labs.
- In 2023, Carver Family Farm submitted and **passed 188** strain batch tests with Argon Labs. We spent **over \$37,000**, before taxes. So far in 2024 we've spent \$30,906

Laboratory Testing - Recommendations

- Standardization between labs using Ring Testing or similar
(<https://cannabis.ca.gov/licensees/cannaconnect-compliance-hub/laboratories-that-can-test-for-flower/>
[https://www.testotis.de/en/know-how/knowledge-centre/knowledge-proficiency-tests-comparative-measurement#:~:text=Knowledge%20from%20the%20field%20of,as%20Interlaboratory%20Comparison%20\(ILC\)](https://www.testotis.de/en/know-how/knowledge-centre/knowledge-proficiency-tests-comparative-measurement#:~:text=Knowledge%20from%20the%20field%20of,as%20Interlaboratory%20Comparison%20(ILC)))
- Designated Laboratory Oversight Inspectors (only inspect labs)
- All new operations require inspection **prior to opening** with scheduled follow up if license is or is not issued - ability to inspect and enforce action on denied licenses who have started/continue to operate beyond denying access to BioTrack. (Special Investigation Unit)
- If lab must go off-line there must be a back-up plan to ensure there is little to no break in services to producers/manufactures (review the Argon Lab issue).
- NM funded public education to present new data about the benefits cannabis and terpenes.
- More support (resources) for existing labs needed - grant program?
- Because there are so few labs available, we hope the RLD/CCD will prioritize helping Argon Labs to get back online.

CCD - Unsustainable Without More Funding

CCD Mission Statement ends with “preserving safe consumer access to cannabis by implementing strong enforcement measures to prevent illicit and unsafe cannabis activity.”

CCD has visited us no less than 9 times since we opened in March of 2022. At first it was flattering, now it's less so. How many other producer, manufacture and retail license holders are all under one roof, have only 432 sq ft of flowering canopy and are located conveniently in Albuquerque? Our most recent visit was last week from a friendly compliance officer who said we popped up on his computer to inspect today and upon arriving at our facility was informed that two of his counterparts had visited us for the same license less than 2 months earlier. He called back to headquarters and gave our employees fist bumps on the way out while taking photos of our posted licenses.

CCD has 13 Compliance Staff to oversee 3071 approved licenses

- Compliance Officers share that Carver has a GREAT reputation with CCD and RLD. We are grateful!
- CCD encourages us to make anonymous reports on our competition that we know are out of compliance or other bad actors...if they are licensed. They are obligated to visit anonymous tips. They've visited us twice on anonymous tips.
- Out of 3,000 licensed cannabis facilities across New Mexico, Stevens admits, the Cannabis Control Division has only inspected about half of them. **“With the limited resources that we have**, sending officers to a place where cannabis activity is not licensed we don't quite have that ability yet with the **resources** that we have. We focus on our licensed cannabis activities that are fully licensed,” Stevens said in July.

Designate Funds and Designate Authority

Larry Barker's, "The New Mexico cannabis cowboys: Modern day desperados"

<https://www.krqe.com/news/larry-barker/the-new-mexico-cannabis-cowboys-modern-day-desperados/>

- CCD Director Stevens admits his agency can only issue fines but has **no authority** to collect them.
- Because the Cannabis Control Division **doesn't have authority** over unlicensed rogue operations, state regulators can only watch illicit transactions go out the door and hope police investigate.
- "We gave a storefront to the drug cartel when we passed recreational marijuana," State Rep. Bill Rehm said.
- All due respect, we disagree that we gave anything to the drug cartel by passing recreational marijuana. We are, however, taking away our ability to build a strong and sustainable cannabis industry by underfunding the department we created to oversee its inception and growth.
- Carver Family Farm is sustaining, but just. We are not thriving because our regulators are hamstrung.

Please Consider

Craft Breweries as Model

- Craft breweries have been given a tax differential which is essentially 1/5th of the rate for 'Big Beer' which has helped them open and expand. The rate is based on the amount produced and scales up accordingly
- Craft breweries were also given the ability to open three tap rooms / off site locations in addition to their manufacturing facility. While we may not be advocating for that, it is an example of assistance
- Craft brew also has other unique abilities, like the right to self distribute, the right to sell other manufacturers craft products in their tap rooms, alternating proprietorships, to name some.
- We are unsure of the number of active Integrated Micro License holders there are in NM but would like to be considered for assistance regarding excise tax increases. What would likely be a small number for the state would make a **huge impact** for us.



Thank you!

Erika Hartwick Brown, Owner/Operator

505-508-5910

carverfamilyfarm@gmail.com

Please come see us! We're located just off I25 off

Alameda Blvd

8917 Adams St, Albuquerque, 87113

Mon-Sat 10 am - 6 pm