



# Adult Use Marijuana Program

January 1, 2021 – December 31, 2021

*Annual Report to the Maine State Legislature*

Maine Department of Administrative and Financial Services  
Office of Marijuana Policy

March 2022

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# 1. Background

The Office of Marijuana Policy (OMP) was established within the Department of Administrative and Financial Services on February 4, 2019. The establishment of the Office—occurring one month after Governor Mills was sworn into office—was the first concrete step by the State of Maine’s executive branch towards implementing the voter-approved and legislatively-amended Marijuana Legalization Act.

One of the first tasks the Office undertook was to develop a mission statement, a vision statement, and five guiding principles to define what OMP aimed to accomplish as the newest agency of state government. If you are not familiar with them, you can view them on our website: <https://www.maine.gov/dafs/omp/about/mission-vision-values>. OMP has remained committed to fulfilling our organizational values throughout its existence.

Since the launch of Adult Use Marijuana Program (AUMP) retail sales in October 2020, the Office is pleased to report that the adult use system continues to operate as planned, testing capacity remains more than adequate, and only minor adjustments have been needed from a regulatory perspective to ensure the continued success of Maine’s newest commercial industry.

As the contents of this report will reveal, more than 150 new businesses, consisting of several thousand new employees, have launched amidst the global health pandemic. Several hundred more applicants are navigating the licensing processing and municipalities throughout Maine continue to have discussions about opting-in to the new program.

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The rules and statute governing the AUMP may be found at:

- Adult Use Marijuana: [Title 28-B](#)
- Rules: [18-691 C.M.R. ch. 1](#)
- Rules: [18-691 C.M.R. ch. 5](#)

## 2. Executive Summary

In accordance with 28-B M.R.S. § 113(1), the Department shall submit to the joint standing committee of the Legislature having jurisdiction over adult use marijuana matters, an annual report that contains, at a minimum:

- The number of applications for each type of license submitted to the department including, if applicable, the number of applications for license renewals, and the number of each type of license conditionally approved by the department;
- The total number of each type of active license issued by the department following local authorization of a conditionally approved licensee;
- The total square footage of plant canopy approved by the department for active cultivation facilities, the percentage of active cultivation facility licenses by cultivation tier and, if applicable, the number of approved increases in the maximum plant canopy allowed under a tier 4 cultivation facility;
- The total amount of application fees and license fees collected, and the total amount of the excise and sales tax revenue collected on the sale of adult use marijuana and adult use marijuana products;
- An overview of current adult use marijuana-related staffing at the department and the cost to the department to regulate the adult use marijuana industry in the State during the prior fiscal year and cost projections for the upcoming fiscal year;
- The total reported volume and value of adult use marijuana cultivated and sold by all cultivation facilities, when available;
- The total reported volume and value of adult use marijuana and adult use marijuana products sold by all marijuana stores, when available;
- The number of inspections of the licensed premises of licensees performed by the department and the results of those inspections, including, but not limited to, the number of inspections resulting in license violations and the percentage of all licensees inspected;
- The number of license violations committed by licensees and a breakdown of those violations into specific categories based on the type of violation and the outcome of the violation, including, but not limited to, the total amount of monetary penalties imposed and collected by the department and the percentage of total license violations resulting in the imposition of a monetary penalty, license suspension or license revocation;
- Public health and safety data collected, received, or analyzed by the department; and
- Recommendations, including any suggested legislation, to address any issues with the regulation of the adult use marijuana industry in the State encountered by the department.

The data in this report reflects calendar year periods unless otherwise noted.

### 3. Licensing in the AUMP

#### 3.1 Applications

All principals of a licensed marijuana establishment and individuals working in or for a licensed marijuana establishment who possess, cultivate, manufacture, package, test, dispense, transfer, serve, handle, or transport marijuana or marijuana products are required to have an OMP-issued Individual Identification Card (IIC).

IIC applications are available through the InforME online application portal. Approximately 97.5 percent of applicants applied via the online portal, with a select number of applicants requesting paper applications. A total of 20.2 percent of the IIC applications submitted prior to the conclusion of 2021 were renewals.

Many of the submitted applications are still in process, usually pending receipt of additional information. Through 2021, OMP has only denied 16 IIC applications; however, many more are abandoned by individuals whose employment plans have changed or who do not complete their submission in a timely manner. A total of 2,809 applications were approved in 2021.

	<b>Submitted</b>	<b>Approved</b>
Individual Identification Card (IIC)	3,515	2,809

The State of Maine’s AUMP allows for vertical integration of cannabis businesses; however, a separate license is required if an entity wishes to cultivate, manufacture, and retail their own marijuana products. The exception to vertical integration is for Marijuana Testing Facilities, which must be owned and operated by individuals who, to ensure public confidence in the validity of their results, are prohibited from having any direct or indirect financial interest in any other AUMP license type.

Due to their comparatively small number, Marijuana Testing Facility applications are available via printable applications on the OMP website. As of December 31, 2021, three testing facilities have completed the required laboratory certification process with the Maine Center for Disease Control and Prevention (Maine CDC) and have obtained a separate active license to operate from OMP. The Office continues to engage in discussions and meetings with prospective testing facility operators to better understand their plans, potential challenges they face, and how OMP can assist them in navigating the application process. At least one other testing facility operator is currently moving through the application process.

AUMP Cultivation Facility, Products Manufacturing Facility, and Marijuana Store applications are available through the InforME online application portal. As of December 31, 2021, a total of 622 applications had been received across all license types. A total of 6.6 percent of the applications submitted prior to the conclusion of 2021 were renewals.

	<b>Submitted</b>
Testing Facility	4
Cultivation – Nursery	4
Cultivation – Tier 1 (Canopy)	18
Cultivation – Tier 1 (Plant Count)	7
Cultivation – Tier 2	47
Cultivation – Tier 3	55
Cultivation – Tier 4	30
Products Manufacturing	93
Retail Store	364
<b>Total</b>	<b>622</b>

### 3.2 Status of Establishment Licenses

At its highest level, the process of becoming licensed in the AUMP takes three steps: 1.) Conditional Licensure, 2.) Local Authorization, and 3.) Active Licensure.

This approach was designed by the legislature to ensure that prospective adult use licensees would be vetted by OMP prior to receiving approval from a host community. This ensures that our state’s municipalities have the benefit of reviewing the material that led to OMP’s conditional licensure before acting at the local level. Once local authorization is obtained, a prospective licensee returns to OMP to obtain an active license.

	<b>Conditional</b>	<b>Conditional, Jurisdiction Approved</b>	<b>Active</b>	<b>Total</b>
Testing Facility	1	1	3	<b>5</b>
Cultivation – Nursery	2	0	1	<b>3</b>
Cultivation – Tier 1 (Canopy)	8	3	1	<b>12</b>
Cultivation – Tier 1 (Plant Count)	3	0	1	<b>4</b>
Cultivation – Tier 2	24	4	20	<b>48</b>
Cultivation – Tier 3	26	9	20	<b>55</b>
Cultivation – Tier 4	15	1	12	<b>28</b>
Products Manufacturing	41	10	30	<b>81</b>
Store	77	10	71	<b>158</b>
<b>Total</b>	<b>197</b>	<b>38</b>	<b>159</b>	<b>394</b>

A licensee that has been issued a conditional license by the department may not engage in the cultivation, manufacture, testing or sale of adult use marijuana or adult use marijuana products until the department has issued an active license.

As of December 31, 2021, there were 197 licensees that had obtained a conditional license from OMP, 38 that obtained local authorization from a host municipality, and 159 that obtained active licenses.

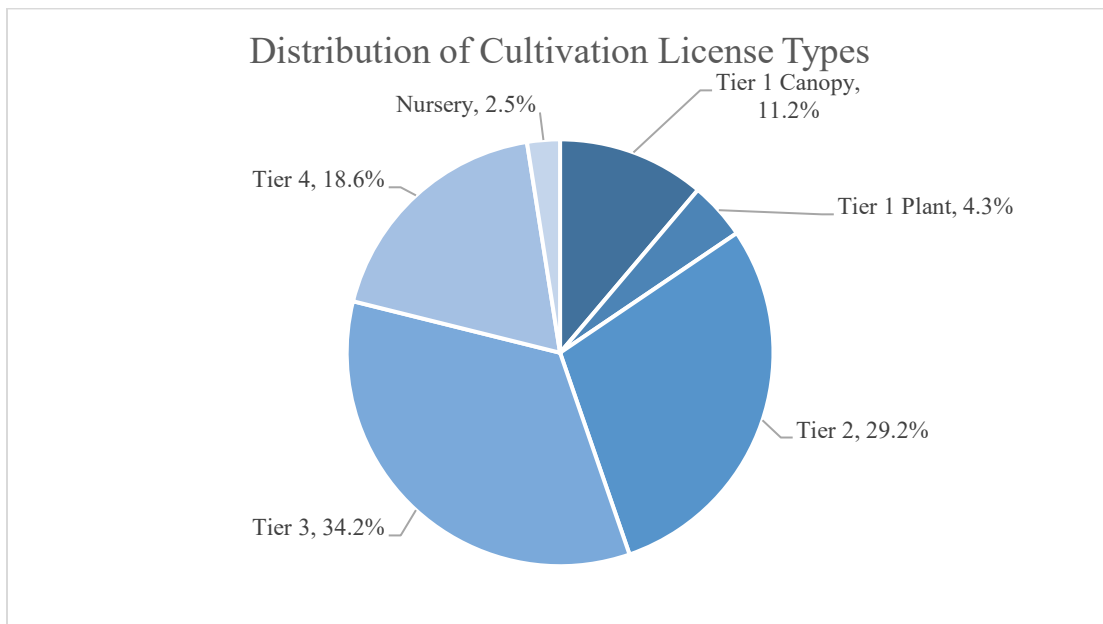


## 4. Industry Capacity, Volume, and Value

### 4.1 Existing Capacity

As of December 31, 2021, there were 55 cultivation establishments with active licenses representing a total of 262,058 square feet of plant canopy. The square footage totals are based on each active establishment's approved square footage as specified through the application process.

Cultivation Type	Maximum Square Feet Allowed	Active Establishments	Total
Tier 1 (Plant Count)	30 mature plants/ unlimited immature and seedlings	1	n/a
Tier 1 (Canopy)	500	1	252
Tier 2	2,000	20	29,495
Tier 3	7,000	20	80,699
Tier 4	20,000	12	150,855
Nursery	1,000	1	757
<b>Total</b>	<b>n/a</b>	<b>55</b>	<b>262,058</b>



Based on licensees which had obtained either a conditional license from OMP or local authorization from a host municipality, there is the potential for up to 628,500 square feet of additional plant canopy in the AUMP. This assumes all establishments with these license statuses at the conclusion of 2021 obtain an active license during 2022. The potential square footage estimate is based on the maximum square feet allowed by cultivation tier.



<b>Cultivation Type</b>	<b>Maximum Square Feet Allowed</b>	<b>Licenses</b>	<b>Total</b>
Tier 1 (Plant Count)	30 mature plants/ unlimited immature and seedlings	3	n/a
Tier 1 (Canopy)	500	11	<b>5,500</b>
Tier 2	2,000	28	<b>56,000</b>
Tier 3	7,000	35	<b>245,000</b>
Tier 4	20,000	16	<b>320,000</b>
Nursery	1,000	2	<b>2,000</b>
<b>Total</b>	<b>n/a</b>	<b>95</b>	<b>628,500</b>

Cultivation Facility licensees are permitted to request a change in their license tier upon renewal. In 2021, a tier 2 cultivator changed to cultivation tier 3 and increased their approved canopy square footage to 4,529 square feet. One licensee reduced their cultivation tier from tier 3 to tier 2; however, their approved canopy size did not change. The licensee in question had previously been approved for 1,600 square feet of canopy space.

Additionally, cultivation tier 4 licensees are allowed, in accordance with 28-B M.R.S. § 304, to request an increase in their plant canopy capacity during the renewal process, not more than once every two years. There were no cultivation tier 4 licensees which requested an increase in their plant canopy during their renewal application process.

#### **4.2. Industry Volume and Value by Cultivation Facilities**

For calendar year 2021, a total of 97,813.2 kilograms (wet weight prior to drying process) of marijuana was harvested by marijuana cultivation facilities.

As of December 31, 2021, 19,912.7 kilograms (combination of both wet weight and dried weight) of marijuana have been distributed. A total of \$4,979,775 was collected from the state's excise tax on adult use marijuana. According to data entered into the state's inventory tracking system, wholesale earnings for the year were \$23,626,126.

<b>Product Category</b>	<b>Total Product Distributed</b>	<b>Total Excise Amount</b>	<b>Total Wholesale Amount</b>
Usable Marijuana	19,912.7 kilograms	\$4,979,775	\$23,626,126

*Usable Marijuana include Buds/Flower, Shake/Trim, and Pre-Rolls.*

*Source: OMP's inventory tracking system and Maine Revenue Services' Office of Tax Policy.*

Please note: Vertically integrated companies do not record wholesale amounts on their transfers. Additionally, data entered into the state's inventory tracking system may contribute to errors in the classification of transfers.

As of December 31, 2021, marijuana cultivation inventory consisted of 10,932.7 kilograms of packaged useable marijuana and 52,204 plants available for future harvests, sales, and their subsequent wholesale transactions.

#### 4.3. Industry Volume and Value by Manufacturing Facilities

As of December 31, 2021, AUMP Product Manufacturing Facilities processed and wholesaled 1,897.9 kilograms of usable marijuana, 276.8 kilograms of concentrates, 572,936 units of concentrates, and 1,439,169 units of infused products. Wholesale earnings for the year were \$12,155,125. Worthy of note, manufacturers may be vertically integrated and charge flat rates and/or additional fees for their services that affect the wholesale estimation.

<b>Product Category</b>	<b>Total Product Distributed</b>	<b>Total Wholesale Amount</b>
Usable Marijuana	1,897.9 kilograms	\$2,049,775
Concentrates	276.8 kilograms 572,936 units	\$5,660,234
Infused Products	1,439,169 units	\$4,445,116

*Usable Marijuana include Buds/Flower, Shake/Trim, and Pre-Rolls. Concentrates include Concentrates, Infused Pre-Rolls, Kief, and Vape Products. Infused Products include Drinks, Edibles, Capsules, Suppositories, and Topicals.*

As of December 31, 2021, product manufacturing inventory consisted of 1,646.5 kilograms of usable marijuana, 134.6 kilograms of concentrates, 119,177 units of concentrates, and 808,370 units of infused products for future wholesale transactions.

<b>Product Category</b>	<b>Inventory</b>
Usable Marijuana	1,646.5 kilograms
Concentrates	134.6 kilograms 119,177 units
Infused Products	808,370 units

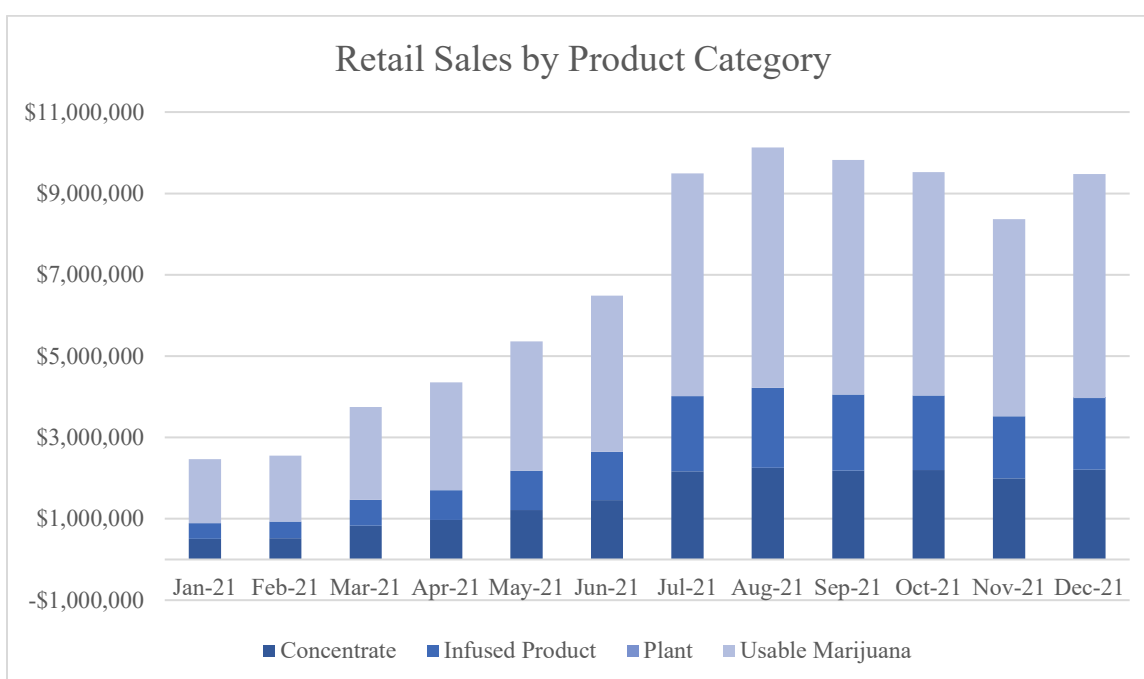
#### 4.4. Industry Volume and Value by Marijuana Stores

As of December 31, 2021, AUMP Marijuana Stores sold 3,664.4 kilograms of usable marijuana, 13 units of plants, 6.1 kilograms of concentrate, 391,090 units of concentrates, and 732,405 units of infused products. This has yielded gross sales of \$81,814,910 in adult use marijuana through a total of 1,116,240 sales transactions.

<b>Product Category</b>	<b>Total Product Sold</b>	<b>Total Gross Sales</b>
Usable Marijuana	3,664.9 kilograms	\$48,173,302
Plants	13 units	\$654
Concentrates	6.1 kilograms 391,142 units	\$18,518,578
Infused Products	732,522 units	\$15,122,376

*Usable Marijuana include Buds/Flower, Shake/Trim, and Pre-Rolls. Plants include immature plants and seeds. Concentrates include Concentrates, Infused Pre-Rolls, Kief, and Vape Products. Infused Products include Drinks, Edibles, Capsules, Suppositories, and Topicals.*

The stacked bar chart/line graph below shows the month-to-month sales by product category.



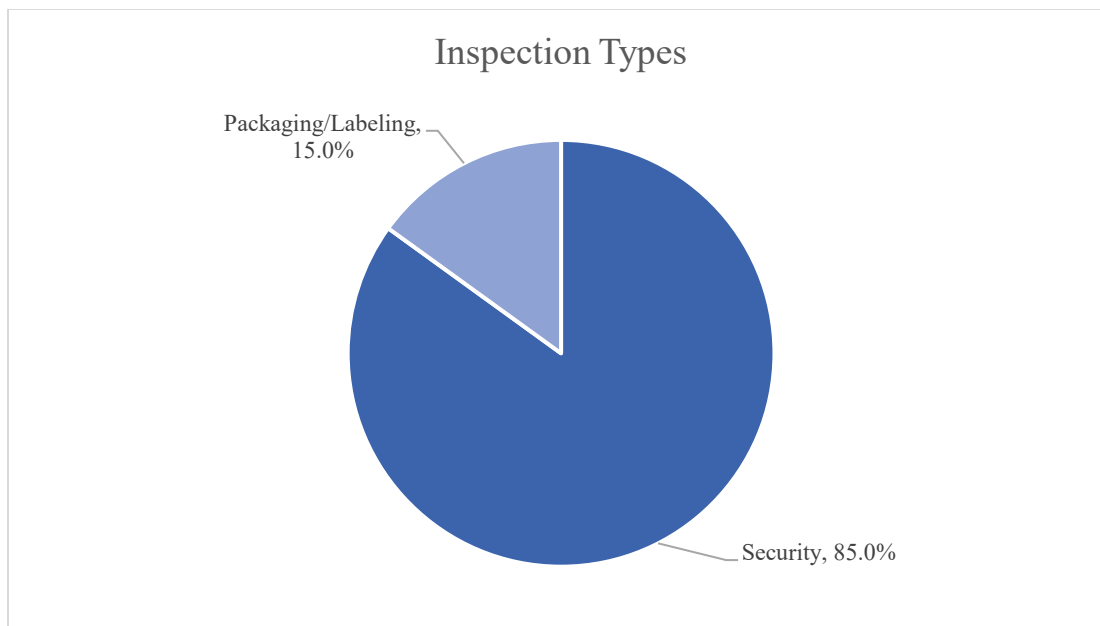
As of December 31, 2021, the inventory of Marijuana Stores consisted of 377.7 kilograms of usable marijuana, 371 units of plants, 0.8 kilograms of concentrates, 56,272 units of concentrates, and 77,382 units of infused products for future sales.

<b>Product Category</b>	<b>Inventory</b>
Usable Marijuana	377.7 kilograms
Plants	371 units
Concentrates	0.8 kilograms 56,272 units
Infused Products	77,382 units

## 5. Compliance in the AUMP

### 5.1 Compliance Inspections

As of December 31, 2021, there were 153 compliance inspections with 78 percent of all active licensees being inspected within the calendar year. Of these inspections, 130 were security inspections which must be completed and be passed prior to a marijuana establishment receiving their active licensure to conduct business. Twenty-three inspections were packaging and labeling inspections.



### 5.2 Compliance Violations

As of December 31, 2021, there were 44 complaints which led to compliance cases being opened. All 44 cases fell into the Minor Licensee Violation category of 18-961 C.M.R., ch. 1, § 12.2, required technical assistance, and were subsequently resolved. No compliance violations resulted in license suspension or revocation.

One case, which was opened in calendar year 2020 but resolved in 2021, resulted in a monetary penalty of \$5,000 being assessed.

## 6. Public Health and Safety Data

Mandatory testing within the AUMP is an important measure to protect public health and safety. As of October 1, 2021, the seven required analyte categories for AUMP testing are:

1. Filth and foreign materials;
2. Dangerous molds and mildews;
3. Harmful microbes;
4. THC potency, homogeneity and cannabinoid profiles;
5. Water activity and moisture content;
6. Other harmful chemicals (metals, including cadmium, lead, arsenic, and mercury); and
7. Residual solvents.

Pesticides are the only remaining analyte type which has not been activated as a mandatory analyte type as OMP works through the complexities of pesticide testing with the Department of Agriculture, Conservation, and Forestry's Board of Pesticides Control.

Testing of marijuana and marijuana products occurs at various stages of the production process and prior to being made available to consumers at retail. For calendar year 2021, the overall initial fail rate for marijuana and marijuana products is 5.7 percent. The analytes that failed most often are:

1. Total Yeast & Mold Count (Microbial) at 5 percent;
2. Enterobacteriaceae (Microbial) at 1.8 percent;
3. Potency for Infused Products at 1.7 percent;
4. Mycotoxins at 1.6 percent; and
5. Residual Solvents at 1.5 percent.

It is worthy of note that mycotoxins are included in the testing regime only for products which have received an initial failed fungus or mold-related test. If the licensee chooses the option to remediate following this type of failed test, the batch must be retested by the same marijuana testing facility and will need to include mycotoxin analysis. This includes Aflatoxins (B1, B2, G1 and G2) and Ochratoxin A. The total combined result of the five required mycotoxins must be less than 20 micrograms per kilogram to be considered a passing result.

In addition to the AUMP's mandatory testing regime, OMP has taken significant steps to interact with and involve the public health community in its work. The office participates in multiple taskforces including both the marijuana workgroup and tobacco laws workgroup hosted by Maine CDC, the Pregnancy Risk Assessment Monitoring System (PRAMS) Steering Committee, the State Epidemiological Outcomes Workgroup biannual meetings, and the Maine Impaired Driving Task Force. The groups are comprised of public health and public safety officials from both state government and nonprofits throughout Maine.

In 2021, OMP developed and conducted a competitive procurement seeking a partner to assist the Office with the implementation of a marijuana public health and safety campaign. This

campaign was developed to supplement the Maine CDC’s existing “Good to Know” Maine campaign and is funded by the Adult Use Marijuana Public Health and Safety Fund. A vendor was awarded, and the development of the campaign is underway and expected to be implemented throughout 2022.

With respect to data, through the aforementioned public health collaborations, data exchanges have been initiated. The data exchanges with agencies include the Maine CDC’s Maine Integrated Youth Health Survey program (MIYHS), Maine Emergency Medical Services (EMS), Maine CDC’s Behavioral Risk Factor Surveillance System (BRFSS), Northern New England Poison Control, and Maine Department of Education. In support of the BRFSS, OMP has provided funding to support a new module which offers public health experts a deeper dive into the use of cannabis products in Maine.

The data collected will become the foundational metrics and indicators for OMP to monitor.

<b>Program/Agency</b>	<b>Key Indicators</b>
Administrative Office of the Courts	<ul style="list-style-type: none"> <li>• Number of marijuana-related charges</li> </ul>
District Attorney: All Prosecutorial Districts	<ul style="list-style-type: none"> <li>• Number of convictions/dismissals related to marijuana</li> </ul>
Maine Bureau of Highway Safety	<ul style="list-style-type: none"> <li>• Number of motor vehicle accidents relating to the use of marijuana</li> <li>• Number of citations relating to the use of marijuana</li> </ul>
Maine CDC: Behavioral Risk Factor Surveillance System Program	<ul style="list-style-type: none"> <li>• Percentage of adults using marijuana or marijuana products</li> </ul>
Maine CDC: Maine Prevention Services: Domain 1	<ul style="list-style-type: none"> <li>• Activities being implemented to reduce the use and misuse of marijuana and marijuana products</li> </ul>
Maine CDC: Maine Integrated Youth Health Survey Program	<ul style="list-style-type: none"> <li>• Percentage of youth using marijuana and marijuana products</li> <li>• Perception of use, perception of harm, and perception of parental view on use of marijuana captured</li> </ul>
Maine CDC: Pregnancy Risk Assessment Monitoring Program	<ul style="list-style-type: none"> <li>• Percentage of women using marijuana and marijuana products prior, during, and post pregnancy</li> </ul>
Maine Department of Education	<ul style="list-style-type: none"> <li>• Number of students receiving disciplinary action relating to marijuana</li> </ul>
Maine Emergency Management Services	<ul style="list-style-type: none"> <li>• Number of ambulance services needed related to the use of or exposure to marijuana and marijuana products</li> </ul>
Maine Health Data Organization	<ul style="list-style-type: none"> <li>• Number of emergency room encounters that at least one marijuana related diagnosis</li> </ul>
National Survey on Drug Use and Health	<ul style="list-style-type: none"> <li>• Estimate number of individuals with marijuana use</li> <li>• Perception of risk in consuming combustible forms of marijuana</li> </ul>

Northern New England Poison Control	<ul style="list-style-type: none"> <li>• Number of calls related to the use of or exposure to marijuana and marijuana products</li> <li>• Types of marijuana products that are the cause of poison center calls</li> </ul>
Office of the Attorney General: Criminal Division	<ul style="list-style-type: none"> <li>• Number of convictions/dismissals relating to the use of marijuana</li> </ul>

Public health and safety data will continue to play an important role in OMP’s decision-making processes in 2022. The Office will continue surveying its partner state agencies for marijuana-specific data. It is the hope that with these efforts, and the corresponding data generated in our licensing system and the track and trace system, data will be available to aid OMP and legislators in making informed policy decisions.



## 7. Revenue, Staffing, and Expenditures

### 7.1 Revenue

Below is a summary of revenue received for Calendar Year 2021. Excise tax and sales tax figures include actual amounts paid to Maine Revenue Services for transactions occurring in Calendar Year 2021.

	<b>CY 2021</b>
Revenue	
IIC Application Fees	\$ 155,709
Establishment Application Fees	\$ 98,430
License Fees	\$ 848,360
Excise Tax	\$ 4,979,775
Sales Tax	\$ 7,382,845

*Source: OMP's Agency Licensing Management System and Maine Revenue Services' Office of Tax Policy.*

### 7.2 Staffing and Expenses

OMP staff share responsibilities for both the AUMP and MMMP. While the majority of OMP's authorized positions are tied to the adult use program, we have focused on cross-training staff to minimize the likelihood of similar tasks and responsibilities being siloed by program type. This approach has proven effective, allowing office staff to serve the needs and answer the questions of licensees participating in both the adult use and medical marijuana programs.

Throughout 2021 and 2022, OMP staff have focused on the measured growth of the Office, bringing staff on when appropriate to meet the operational needs of the office rather than simply choosing to fill positions because vacancies exist. This approach to recruitment has been strategically important, ensuring staff are occupied with their daily tasks but not overwhelmed with work so OMP can focus on the delivery of top-notch customer service.

As of the end of December, OMP is now home to 35 fulltime employees. Two positions will be filled in early 2022.

	<b>FTE Headcount</b>	<b>Vacant Positions</b>
Administration	4	1
Policy Division	1	0
Engagement and Community Outreach	1	0
Compliance Division	15	0
Data Analytics Division	3	0
Licensing Division	9	1

*Please note: The positions listed in the above table are inclusive of both programs.*

The State of Maine operates on a fiscal year which runs from July 1 through June 30. Accordingly, revenue and expense information from state fiscal year 2021 covers the period from July 1, 2020 through the conclusion of the fiscal year on June 30, 2021.

	<b>FY 2021</b>
Expense	
Personnel	\$ 2,075,544
All Other	\$ 318,589

*Please note: These figures do not include costs incurred by the medical program during this same reporting period.*

Cost projections for fiscal year 2022 are estimated below:

	<b>FY 2022</b>
Cost Projections	
Personnel	\$ 2,294,310
All Other	\$ 494,515

At the beginning of the second quarter of fiscal year 2022, the Office entered into a new contract with a vendor to implement the aforementioned marijuana public health and safety campaign. OMP has budgeted \$400,000 for the first year of this contract, which does not align with the fiscal year, and \$600,000 for year two of this contract. Cost projects for this effort are not included in the above table.

Expenditures for this effort represent the first commitment from the Adult Use Marijuana Public Health and Safety Fund. The Office is currently exploring options for campaigns or training opportunities which could support municipal officials and law enforcement officers throughout Maine.

## 8. Legislative Recommendations

OMP has not submitted legislation for consideration during the Second Regular Session of the 130th Maine Legislature. Accordingly, the Office is not offering legislative recommendations within the pages of this report to the Joint Standing Committee on Veterans and Legal Affairs.