

Dear Rep. Pauline Wendzel,

The bipartisan Michigan Cannabis Safety Act (HBs 5300-5302 and 5319-5321) will help ensure all patients and adult-use consumers have access to cannabis products that are safe, tested, tracked and labeled.

As this legislation begins to move through committee and eventually to the floor, you're going to hear a lot about what the people want. As you'll see in this packet, a fair and bipartisan poll demonstrates where the public stands on this issue, including:

- **82%** support requiring unlicensed growers who grow for more than one patient to have their product tested for harmful substances using the same standards as current licensed growers and processors.
- **78%** support medical marijuana and recreational marijuana being subject to the same regulation, like testing, tracking, licensing and safety.
- **71%** support requiring unlicensed growers to report where they grow marijuana to the state.
- **71%** support requiring unlicensed growers who grow for more than one patient to obtain a license through the state.
- **68%** support amending the 2008 Medical Marijuana law by adding new regulations for unlicensed growers who grow marijuana for more than one patient.

We are grateful that Reps. Clements, Lilly, Steenland, Peterson and Howell are co-sponsoring this legislation.

Please don't hesitate to contact me directly with any questions about this critical legislation.

Sincerely,

Stephen Linder, Executive Director  
Michigan Cannabis Manufacturers Association



# Michigan can and should be a national leader in cannabis safety, innovation and entrepreneurship.

Nearly 2/3 of cannabis in Michigan is not tested, licensed, tracked or labeled, according to an Anderson Economic Group study.

This poses a serious health risk to patients and consumers.

The Michigan Cannabis Safety Act will help promote cannabis safety, transparency and accountability by updating outdated rules in the Michigan Medical Marijuana and Michigan Medical Marijuana Facility Licensing acts.

This bipartisan legislation will help ensure ALL cannabis in Michigan is tested, tracked and labeled. This legislation is a fair and balanced approach to marijuana reform that provides a pathway for Unlicensed Marijuana Growers to participate in and profit from the licensed market.

## Polling shows Michiganders want to rein in unlicensed and illicit cannabis

Voters of all political stripes support this legislation. A bipartisan, statewide survey found:

- ✓ **82%** support requiring Unlicensed Marijuana Growers (UMGs), often referred to as caregivers, who grow for more than 1 patient to have their product tested for harmful substances using the same standards as current licensed growers and processors.
- ✓ **78%** support medical marijuana and recreational marijuana being subject to the same regulation, like testing, tracking, licensing and safety.
- ✓ **71%** support requiring UMGs to report where they grow marijuana to the state.
- ✓ **71%** support requiring UMGs who grow for more than 1 patient to obtain a license through the state.
- ✓ **68%** support amending the 2008 Medical Marijuana law by adding new regulations for UMGs who grow marijuana for more than 1 patient.

## Key components of The Michigan Cannabis Safety Act include:

### Accountability, transparency and a path to entrepreneurship

- ✓ Establishing new Specialty Medical Grower (SMG) license and process for issuing SMG licenses. Requires a \$500 annual license fee.
- ✓ UMGs and SMGs can sell to their patients. SMGs can sell their overages.
- ✓ Effective March 1, 2022, a UMG can serve without a license 1 patient, rather than 5 under current law. Maximum 24 plants per UMG, with 1 UMG per address.
- ✓ Creating an easy pathway for UMGs to enter the licensed marketplace.
- ✓ Allowing SMGs to grow plants for up to 5 patients and sell overages to licensed growers.

### Promoting consumer, product safety

- ✓ Requiring all SMG product to be tested, tracked and labeled.
- ✓ Subjecting SMGs to inspection at any time by the MRA, Michigan State Police or local law enforcement.
- ✓ Requiring SMG addresses where cannabis is grown to be reported to the MRA. Addresses may be shared with local law enforcement.

### Preserving local communities, promoting high standards

- ✓ Holding SMGs to Michigan's cannabis testing standards to help ensure consumer and product safety.
- ✓ Requiring UMGs to operate in industrial or agricultural zones, or at their primary residence.
- ✓ Prohibiting UMG sale of product overages.
- ✓ Prohibiting SMG product from entering the adult-use market.
- ✓ Revoking SMG licenses for those who violate the rules and regulations. Violators also face seizure of marijuana and equipment.

### Additional safety, accountability standards

- ✓ Providing civil enforcement authority to local municipalities.
- ✓ Allowing parents of minors to designate someone else as a UMG or SMG.
- ✓ Prohibiting sales or use tax on cannabis sales to patients.
- ✓ Allowing patients to sell or transfer cannabis to other patients without facing criminal charges.



**FOR IMMEDIATE RELEASE:** Thursday, Sept. 16, 2021

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## **Major statewide poll: Majority of Michiganders want all cannabis to be tested, tracked and licensed**

*Survey finds Michiganders of all political stripes want to rein in unregulated, unlicensed cannabis*

**LANSING, Mich.** — Two national firms from both sides of the political aisle today released a major statewide poll pertaining to voter attitudes on cannabis licensing, safety and regulations.

The bipartisan survey, conducted by Greenberg Quinlan Rosner Research and Public Opinion Strategies, was commissioned by the [Michigan Cannabis Manufacturers Association](#). The landmark statewide survey of likely voters was conducted Aug. 19-23.

“This first-of-its-kind, bipartisan poll makes it clear Michiganders of all political stripes believe patients and adult-use consumers should have access to safe, tested cannabis products,” said **Shelly Edgerton**, Michigan Cannabis Manufacturers Association Board Chair. “The poll also makes clear Michiganders want all cannabis, whether medical or recreational, to be subject to the same regulations, like testing, tracking, licensing and safety.”

“Michigan is at a crossroads when it comes to cannabis, and this poll tells us Michiganders want increased accountability and transparency in our burgeoning regulated cannabis market,” said **Stephen Linder**, MCMA Executive Director. “The survey also tells us they want to know where their cannabis comes from, regardless if they purchase it for medical or recreational use.”

Key findings of the bipartisan, statewide survey include:

- **82%** support requiring Unlicensed Marijuana Growers (UMGs) who grow for more than one patient to have their product tested for harmful substances using the same standards as current licensed growers and processors.
- **78%** support medical marijuana and recreational marijuana being subject to the same regulation, like testing, tracking, licensing and safety.
- **71%** support requiring UMGs to report where they grow marijuana to the state.
- **71%** support requiring UMGs who grow for more than one patient to obtain a license through the state.
- **68%** support amending the 2008 Medical Marijuana law by adding new regulations for UMGs who grow marijuana for more than one patient.

“Our research found the vast majority of Michiganders want to rein in unlicensed, unregulated and untested cannabis,” said **Ethan Smith**, pollster for Greenberg Quinlan Rosner Research. “It also shows they want the same standards for both medical and adult-use cannabis.”

“The survey found Michiganders want to enhance accountability in Michigan’s cannabis market, including updating licensing requirements and requiring reporting of where cannabis is grown,” said **Robert Blizzard**, pollster for Public Opinion Strategies. “Michiganders believe both requirements should play key roles in helping ensure access to safe, tested cannabis products in every corner of the state.”

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The Michigan Cannabis Manufacturers Association is an association of many of the State’s largest Growers, Processors, and Vertically Integrated Cannabis Licensees. All members of the MCMA must be licensed by the Marijuana Regulatory Agency.

# Michigan Cannabis Market Growth and Size

Commissioned by the Michigan Cannabis Manufacturers Association  
June, 2021

Over two-thirds of all cannabis consumed in 2020 came from sources other than medical provisioning centers and adult-use stores



The Michigan Cannabis Manufacturers Association retained Anderson Economic Group to review the structure of Michigan’s cannabis market and determine the size of the cannabis market by segment, including licit and illicit.

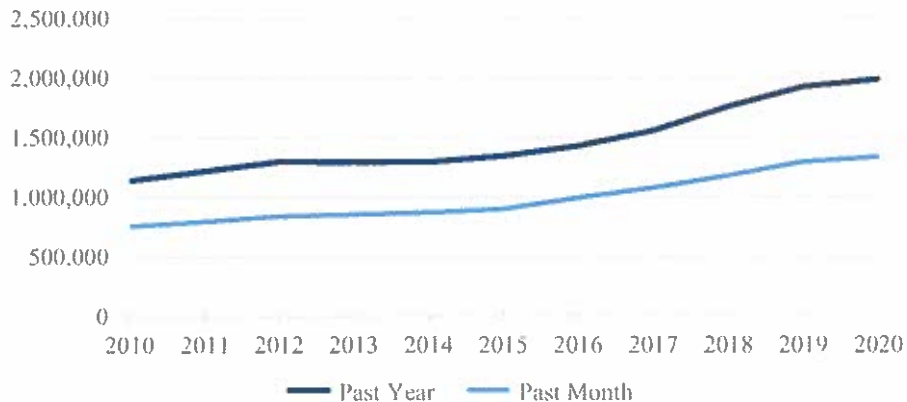
Cannabis is one of the nation’s fastest growing cash crops. In Michigan, medical cannabis has been legal for over a dozen years, and the state concluded its first year of adult-use sales in 2020. Legal cannabis has given rise to new businesses and generated new jobs and revenue for the state.

MCMA and others have raised concerns that, despite cannabis’ legal status in Michigan, many consumers continue to procure cannabis from the illicit market. Cannabis sold in the illicit market is not subject to the safety and testing requirements of cannabis sold at retail stores (medical provisioning centers and adult-use stores). Illicit transactions also do not produce tax revenues.

## Cannabis Use, Sales, and Tax Revenues

Cannabis is becoming an increasingly popular product among Michigan consumers. In 2020, one in five Michigan residents used cannabis (2.0 million). The count of cannabis users has grown by 75% since 2010.

**FIGURE 1. Michigan Residents Reporting Cannabis Use in Past 12 Months, 2010-2020**



Source: Anderson Economic Group cannabis demand model utilizing base data from the National Survey of Drug Use and Health.

## Retail Sales and Tax Revenues

In 2020, cannabis retail stores sold \$985 million in cannabis products. The commercial cannabis industry also generated \$129 million in taxes and fees. This includes sales and excise tax revenue; grower, processor, and retailer license fees; and registration fees for medical patients.

## Cannabis Availability

Consumers in Michigan can procure cannabis through multiple channels, including home cultivation, acquiring cannabis from a designated medical caregiver, purchasing cannabis from a medical provisioning or adult-use retail store, or purchasing from an illicit seller.

Today, roughly 80% of Michiganders live within a 20-minute drive of a medical provisioning center or adult-use store.

**TABLE 1. Drive-time to Medical Provisioning Centers and Adult-use Cannabis Stores in Michigan**

Establishment Type	Percent of 21+ Population within driving distance		
	20 Minutes	30 Minutes	60 Minutes
Medical Provisioning Centers	81.7%	94.9%	99.1%
Adult-use Stores	79.3%	94.4%	99.1%

*Source: Anderson Economic Group analysis using base data from Esri, Inc., U.S. Census Bureau, HERE Maps drive-time data, Michigan Marijuana Regulatory Agency.*

**Market Size by Segment**

Despite the widespread availability of cannabis through retail stores, illicit sales and other “off-the-books” transactions remain the primary way in which Michiganders procure cannabis. In 2020, nearly 70% of all cannabis consumed in Michigan came from non-retail sources, including caregivers, home cultivation, and the illicit market.

**TABLE 2. Michigan Cannabis Market Size by Segment, 2020**

Segment	Total Demand, 2020 (Millions)	Percent of Market Size
Adult-use Stores	\$510.7	15%
Medical Provisioning Centers	\$474.0	16%
Caregiver and Medical Home Cultivation <sup>a</sup>	\$930.1	30%
Illicit and Adult-use Home Cultivation	\$1,241.5	39%
<b>Total:</b>	<b>\$3,156.3</b>	<b>100%</b>

*Source: Anderson Economic Group cannabis demand model utilizing base data from multiple sources.*

*(a) Includes cannabis procured from caregivers. Some purchases made by medical patients may not be for medical use.*

Enacting policies that shift consumption from the illicit market to the licit market will help ensure Michiganders have access to safe cannabis and will ensure that future transactions generate tax revenue for state and local government.

**About the Study’s Author**

Founded in 1996, Anderson Economic Group is an economics consulting firm with offices in East Lansing, Michigan, and Chicago, Illinois. The experts at AEG have unrivaled expertise in market and industry analysis and extensive experience in the cannabis industry. Our team has produced estimates on the size of cannabis markets in all 50 states since 2015. Our work in the cannabis space was recognized for its rigor and quality in 2019, receiving a Contributed Paper Award from the National Association for Business Economics.

Recent publications from Anderson Economic Group include:

- Patrick L. Anderson, *Blue Smoke and Seers: Measuring Latent Demand for Cannabis Products in a Partially Criminalized Market*, published in 2020.
- *Tax Revenues from Legalizing Recreational Marijuana Under Michigan’s Proposal 18-1*, published in 2018.
- *The Market for Legal Cannabis Products in the 50 United States*, published in 2015 and 2016.

For more information, see [www.AndersonEconomicGroup.com](http://www.AndersonEconomicGroup.com).