

*The below content reflects nothing more than the hard work, experience, common sense, shared mindset and hopes & dreams of a group of individuals dedicated to seeing hundreds - if not thousands - of prosperous & sustainable, locally based businesses spread across the Great State of New Mexico.*

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Dear Governor Lujan Grisham, Members of the New Mexico Legislature, & Most Importantly the People of New Mexico –

A very wise man once said, “*It Does Not Require Many Words To Speak The Truth.*” Sound policy and good legislation, however, have their own set of requirements.

**Micro Grow New Mexico believes that the only way to support long-term and diversified economic growth and social equity throughout NM is to support the development of small and medium-sized locally owned businesses.**

**This Great State** has always relied up on its’ PEOPLE and its’ LAND to find the path forward; not outsiders, not the government, and surely not big business.

Since the Pueblo Revolt of 1680, through various attempts by our neighbors to the east to claim Our Land as theirs, and up to this very day, this Great State’s People have risen against outside attempts to pillage and profit off Native Lands. Large financial interests were at the heart of the global expansionism under the Conquistadors, and all of those that followed. Economic subjugation is subjugation all the same.

This Is our land – We have long cared for it – We will continue to care for it

This starts with legalizing adult-use cannabis - Small acreage family farms, landowners with usable structures, Personal Production License (PPL) holders, community gardeners, traditional healers and New Mexican entrepreneurs represent the framework and foundation for what will be the long-term and locally oriented cannabis market in New Mexico going forward.

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**Rural, Pueblo, and Small Communities make up the vast majority of this State**, if not it's population, and they have no need to rely on a handful of large producers from "somewhere else" in the State dictating the supply, price, and quality of their cannabis; medicinal or otherwise.

The medicinal cannabis industry in New Mexico is a case-study in what can and does happen in states when large-scale producers, often with out-of-state financing and operational bases, take hold in a state like ours with more Rural, Pueblo, and Small communities than concentrated metropolitan areas, and has followed the path we lay out below.

Such large-scale producers, over time, merge with other large scale producers or sell-out to large Argi-Business, Out-of-State Operators or Hedge Funds; they will have low-cost stores in our rural and small communities, and then flood those markets with supply; that will drive prices down and bankrupt the small producers and thus the local supply source in that area; once those small & local producers are gone, then the big producers start to increase prices and, over time lose business in the community; they eventually shut down those same rural stores, leaving a supply desert in the area.

Those of us that live in these communities have seen this time and again, industry after industry, and especially regarding Big Agriculture. Our formerly vibrant, if not small, Main Streets and Plazas are littered with shuttered windows and empty stores. **Profits come and go, but the community persists.**

This exact thing has happened in other states that have legalized cannabis, and IT WILL HAPPEN HERE. This is not hyperbole; it is economics and basic business cycles post-implementation of newly legalized markets.

**We ask you:** Do we want a couple 200+ acre corporate-run farms, employing maybe one or two hundred people in total and reporting to various fancy titles based out-of-state, producing most, if not all, of the cannabis for sale in OUR State?

Or, should we aspire for hundreds of smaller operations, spread across the State and operating in the rural, far-flung and hard-to-reach areas, run and cared-for by your neighbors and family members?

Microbusinesses will be local and will be run by the people within your community, your friends and neighbors. Which version would you rather support with your business? Which version would YOU prefer for New Mexico?

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**The integrated microbusiness and producer microbusiness categories and licensing**, as generally contemplated in House Bill 12, will be THE major contributor to the long-term and stable development of this industry within the State and must be the key focus of the legislation.

The various social measures contemplated in HB12 must also remain in place:

- **Social Equity** must be a Core & Central Component of this legislation.

And since we're blessed with an overabundance of sunshine and wind, but must fight to keep our Rio Grande and our acequias flowing ... our Rural, Traditional, Pueblo and other Small Communities insist:

- **Sustainability** must be a Core & Central Component of this legislation.

**State Incentives related to these Core & Central Components must be directed towards:**

1. Start-up Resources for the implementation of sustainable processes / inputs / facilities (solar, wind, water capture)
2. Methods aimed at ensuring a continual supply of medicinal cannabis,
3. Methods aimed at ensuring cannabis availability for disadvantaged or low-income patients

*\*And a quick note to many of readers - YES, it is medicine - just as worthy and deserving and, in all likelihood, more beneficial than the various other chemicals that share the same classification.*

In all cases above, the State should direct any such incentives and / or resources specifically and only towards microbusiness licensees, for a period of 2 years post-legalization, to facilitate the development and ensure the market stability of the microbusiness category across the State. Deferred tax strategies work for large businesses, not for small.

**Other than being included in the definition of a “person” in House Bill 12, that legislation was otherwise silent on the concept of Community Cooperatives and what they can mean for rural and small communities within this industry.**

We strongly urge the passers of this legislation include specific language granting rights & privileges, only to microbusiness licensees and in the context of an organized Cooperative entity based within and serving their community, that will contemplate and allow for the pooling of licensed products, services, or locations for the benefit of the local cannabis market, without otherwise jeopardizing or placing-at-risk the status of the microbusiness licensees. Communities are stronger when they can work together – We must allow for this.

*(Continued, below)*



**The number and type of rights afforded the microbusiness licenses** must be the same if not greater than the final and amended version of HB 12, other than the additional item noted below. We will also note, that while large producers may “produce” cannabis, we tend to prefer the terms “grow” and “grower”. We’re not just producing a product, we’re also nurturing and growing a gift from Nature that we hope to share with our neighbors.

Producer microbusiness = 1) grow cannabis; 2) have their cannabis tested 3) sell & transport their cannabis

Integrated microbusiness = 1) grow cannabis; 2) process and extract their cannabis, organically; 3) sell & transport their cannabis; 4) operate one retail establishment; 5) any other activities as allowed \*\*6) have their cannabis tested (*addition*)

**Commiserate with the needed focus on locally grown and locally available medicinal supply, we turn our attention to the Personal Production License, or PPL**, currently administered and overseen by the NM Dept. of Health’s Medical Cannabis Plan as authorized in the Lynn and Erin Compassionate Use Act.

PPL growers will form the obvious core of the microbusiness category, and as caregivers that have been growing and nurturing the very medicine they then consume as patients, have operated under and within the regulatory framework mandated by our State for years and can be a great source of knowledge to and within their communities under this new framework.

As such, current PPL growers (defined by valid and active registration with the NM DOH as a PPL licensee as at 3/31/21) must be grandfathered into the equivalent microbusiness license of their choice (producer or integrated) in the same manner as, if not preferential to, that afforded the commercial licensees (assuming all requirements are met).

Furthermore, all such applicants should explicitly be allowed to proceed with plans and development towards their new capacity constraints while and until their microbusiness license is granted.

Lastly, the legislation / licensing framework should allow for the current PPL licensee to convert to a corporate or other operating entity as needed and / or as beneficial for business purposes, without undue delay and without impacting the licensee’s ability to proceed as planned under the new license.

*(Continued, below)*



**Plant Counts are Arbitrary & Capricious to some**, but Over-Supply and Corporate Dominance are DEVASTATING to small businesses and local communities – not to mention the long-term viability and stability of the market in general.

If plant counts work for microbusiness growers, they surely work for commercial growers. Period.

However, plant counts for microbusinesses must be based on mature plants to ensure microbusiness growers can keep plants in a vegetative state and ensure a continuation of supply to their respective local markets. Supply and demand realities insist upon this. A 200 plant count limit for microbusiness entities spread across this State can more than accommodate the additional supply that we apparently so desperately need.

Other than insisting that the regulatory agency or body ensure the below items, we have no other opinion on how commercial grower limits are applied. We would appreciate if the same courtesies were afforded in return.

1. Control aggregate market supply,
2. Guarantee sufficient medicinal supply, and
3. Prioritize the above towards protecting the viability of microbusiness licensee operations

**We feel the need to mention consumption spaces**, but not the need to explain why they will be critical for the integrated microbusiness nor why they must be included in the legislation.

**Lastly, some of the best and highest quality product will be grown directly under the Zia Sun**, and those growers doing so will be limited to a single growing season per year.

We strongly urge that legislation address this fact and create a special license category for any microbusiness committing to 1) produce a single crop, during the solar growing season of the year, and 2) in so doing forego the use of any supplemental lighting past the seedling stage of growth.

An output or yield-based limit should be roughly equivalent to the expected annual output of a year-round, plant-count based limit or, if a plant count is to be used, then it must be 2x the plant count for the year-round growers.

This will create yet another niche opportunity for a small and bespoke industry to thrive, and in and of itself can create a separate cottage industry akin to the summer festivals surrounding our magical chile harvest.

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## **The People want Legalization**

**Legislators need to provide a Safe, Reliable, and Equitable Cannabis Regulation Act**

**New Mexicans deserve to have a locally-run, state-wide industry built by its People and for its People.**

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All of this is Harmonious with our Values as Protectors of the Land, and  
Providers for our Families & Communities.

These are indeed the same thing.

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**Small, Local, Sustainable, Equitable - Together, We Will Micro Grow New Mexico**

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- There are no existing business interests, paid entities or individuals, lobbying staff, nor any law degrees behind these statements
- Bolds and underlines are intentional; mistakes are not, but are likely
- We have not raised funds, and we will not make political donations

