

Louisiana Medical Marijuana Program



Commissioner Mike Strain, DVM

2018

1ST ANNUAL REPORT TO THE LOUISIANA STATE
LEGISLATURE

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Letter from the Director

The Louisiana Department of Agriculture & Forestry-Medical Marijuana Program is pleased to submit its 1st annual comprehensive report to the Legislature in accordance with LRS 40:1046 (H)(6) and LRS 40:1047.

In 2015, Act 261, R.S.40:1046 was enacted by the legislature and the Medical Marijuana Program was established. The legislature divided the responsibility for implementing the medical marijuana program between three state agencies: Louisiana Board of Medical Examiners, Louisiana Board of Pharmacy, and Louisiana Department of Agriculture and Forestry. In 2016, the statute was amended and supplemented by Act 96, which clarifies prescribing vs. recommending medical marijuana to patients and added qualifying medical conditions. R.S. 40:1047 was also established in 2016. In 2018, the qualifying medical conditions were expanded by Act 708 and Act 496.

The Department of Agriculture and Forestry is responsible for developing rules and regulations including but not limited to the areas of extraction, processing, production of recommended therapeutic marijuana, and the facility producing the medical marijuana. The rules and regulations created by the department covers the procedures for licensing and permitting, qualifications and eligibility, background checks and standards for suitability determination, fees and penalties for violations, compliance and inspections, and reporting and record keeping, etc. The Department is also responsible with developing an annual, nontransferable license for the production of therapeutic use.

Louisiana Revised Statute 40:1046 named two agricultural centers Louisiana State University Agricultural Center and Southern University Agricultural Center to have the right of first refusal to be licensed as production facilities separately or jointly for the therapeutic marijuana program in Louisiana. In June 2016, Louisiana State University Agricultural Center issued a written notice to the Commissioner of Agriculture & Forestry of their intent to be licensed as a production facility. In August 2016, Southern University Agricultural Center released a written statement to the department confirming their intent to be licensed as a production facility.

The two agricultural universities, Louisiana State University and Southern University, opted to subcontract services for the production of medical marijuana as the only legal growers in the state of Louisiana. Louisiana State University AgCenter selected GB Sciences of Louisiana, LLC. Southern University AgCenter selected Advanced Biomedics, LLC d/b/a Ilera Hollistic Healthcare. The licensees, LSU AgCenter and SU AgCenter, have submitted annual reports to the department listing their production costs and pertinent information related to the requirements set forth in LRS 40:1046 (H)(6) for the year of 2018. Please refer to Exhibit A for LSU AgCenter annual report. Please refer to Exhibit B for SU AgCenter annual report.

With the continuation of budget shortfalls and constricted budgets in our state, the Louisiana Medical Marijuana Program has been operating with no additional state funding since established in 2015. The department has proceeded into the fiscal year of 2018-2019 with the operating budget of \$1,374,933 with hopes our state will address the underlying issues and provide funding. Currently, the Medical Marijuana Program has borrowed \$603,643.00 from Agricultural Environmental Sciences Division within the department to purchase laboratory equipment for medical marijuana testing required by law. The department has outlined expenditures for the fiscal year of 2018-2019. Please refer to Exhibit C for the department's breakdown.



Tabitha Irvin,
Medical Marijuana Director/Executive Counsel

Louisiana Department of Agriculture and Forestry

The Louisiana Department of Agriculture and Forestry was created in accordance with the provisions of Article IV, Section 10 of the Constitution of Louisiana. The Commissioner of Agriculture and Forestry heads the department and exercises all functions of the state relating to the promotion, protection, and advancement of agriculture and forestry, except research and educational functions expressly allocated by the constitution or by law to other state agencies.

Department's Mission Statement

The Department's mission is to promote, protect and advance agriculture and forestry, and soil and water resources. Our vision is to be a unified and coordinated team that effectively responds to the challenges facing the agricultural and forestry industries, and which pursues each and every opportunity that might provide a benefit to the state and its citizens.

Our Values

Public First

Each of us has the high honor and distinct privilege of serving the citizens of our state. With fairness and honesty at the forefront, we will be responsive, proactive and flexible in our dealings with others.

Pursuit of Excellence

We are committed to getting the job done right the first time in an effective and efficient manner as possible and in accordance with our overall mission. We will aspire at all times to do our jobs better in every dimension.

Positive Response to Change

Recognizing that our workplace, the markets and technology are evolving, we acknowledge that change is inevitable. We will meet the developing demands and expectations of the public with creative thinking, innovation and more efficient processes.

Respect for Individual

We will create a respectful and meaningful workplace, characterized by honest, direct and relevant communication. Working together as a team, we will honor diversity, individuality, and personal and professional differences.

Community Mindedness

We realize that our work impacts the community in which we reside and, many times, beyond such. Both as individuals and team members, we will strive to make our communities better places to live, work and learn.

Departmental Office Missions

The following departmental offices, as described by mission statements, are responsible for carrying out the functions of the department and may have a role with existing, expanding or new industry:

- The mission of the Office of Agricultural and Environmental Sciences is to ensure animal feeds, pet foods, fertilizers, agricultural liming materials and pesticides meet all requirements of law; to monitor, prevent, control and eradicate plant pests and diseases that threaten Louisiana's agriculture, environment and economy; to facilitate agricultural exports through certification of products; to oversee the qualifications and practices of persons engaged in the green industry; to protect human health and the environment by ensuring the proper labeling, distribution, storage, use, application and disposal of pesticides, and through enforcement of all pesticide laws; to ensure that seed sold for planting meets label guarantees and quality standards; and to ensure a safe, abundant supply of food and fiber.
- The mission of the Office of Agro-Consumer Services is to perform functions relating to the regulation of weights and measures, the licensing of weighmasters, scale companies and technicians; the licensing and inspection of bonded farm warehouses and milk processing plants, and the licensing of grain dealers, warehouses and cotton buyers.
- The mission of the Office of Animal Health Services is to protect the public supply of meat and meat products and fish and fish products, to control and eradicate infectious diseases of animals and poultry, and to control livestock theft and nuisance animals.
- The mission of the Office of Forestry is to protect, conserve and replenish the forest natural resources of the state.
- The mission of the Office of Marketing and Agro-Economic Development is to promote the development and growth of markets for Louisiana agricultural and forestry products and to develop the channels of distribution through which these products are sold.
- The mission of the Office of Soil and Water is to assist in the organization and administration of the Soil and Water Conservation Districts in protecting the land, water and related resources of the state. It is also responsible for implementing the agriculture nonpoint source pollution component of Section 319 and Section 404 (wetlands protection) of the Federal Clean Water Act, as well as other federal and state mandated soil and water resources management programs.
- The mission of the Office of Management and Finance is to provide support services for the other offices of the department. These services provided include: fiscal, legal, procurement, property control, human resources, fleet and facility management, auditing, information technology, print shop and mail room, document imaging and district office clerical support.

About the Medical Marijuana Program

The Louisiana Medical Marijuana Program is under the Office of the Commissioner. It was created by ACT 261 of the 2015 Regular Session. This act authorized the Department of Agriculture and Forestry to develop rules and regulations regarding the extraction, processing, and production of recommended therapeutic marijuana and the facility producing therapeutic marijuana. The department's mission is to ensure that the patients with debilitating medical conditions are receiving a safe product. The debilitating medical conditions as defined in LRS 40:1046 are cancer, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, cachexia or wasting syndrome, seizure disorders, epilepsy, spasticity, Crohn's disease, muscular dystrophy, or multiple sclerosis.

Program Goals

The goals of the program are: 1) to assure through inspection, random sampling and lab testing, that the product is safe from heavy metals, pesticides, microbiological contaminants and residual solvents; 2) to oversee the practices of the licensees; 3) to ensure proper storage, labeling, distribution and disposal of the product.

About our LDAF State Laboratory

The Agriculture Chemistry Division is responsible for administering state laws that regulate the manufacturing and sale of fertilizers and agricultural liming materials. The division performs chemical analyses in its agricultural chemistry laboratory in support of the administration and enforcement of these laws. The division is located at the Agricultural Chemistry Building on Louisiana State University's campus. The division provides analytical chemistry support for other LDAF programs: Pesticide and Environmental Programs within the Office of Agricultural and Environmental Sciences, the Feed Program and the Meat Inspection Program, both within the Office of Animal Health and Food Sciences including the most recent addition of Medical Marijuana Program within the Office of the Commissioner. As the official regulatory laboratory for the LDAF, the laboratory is a vital partner to the LDAF in carrying out its regulatory responsibilities.



Medical Marijuana Program Staff
225-922-1234

Commissioner Mike G. Strain, DVM

Tabitha Irvin, Executive Counsel and
Director of Medical Marijuana Program

Kelli James- Administrative Program Specialist/Administrator

Amy Hernandez- Agricultural Environmental Specialist/Laboratory
Supervisor

Marsha Dugas- Agricultural Environmental Specialist/Inspector

**LSU AGCENTER-GB SCIENCES LOUISIANA, LLC.
LDAF ANNUAL REPORT TO LEGISLATURE
2018**

6)(a)

i. The amount of gross marijuana produced by the licensee during each calendar year:
2018: 6.44 kilograms (dry flower) was produced within the proof-of-concept, temporary exterior pod. The main interior production facility received a Certificate of Substantial Completion for work at 18350 Petroleum Drive on October 2, 2018, and a Certificate of Occupancy on December 5, 2018, but has not yet received approval from the Louisiana Department of Agriculture and Forestry to operate; thus, no therapeutic marijuana has been produced in the main interior production facility.

ii. Details of all production costs including but not limited to seed, fertilizer, labor, advisory services, construction, and irrigation

2018:	Production Costs:	\$167,325
	<i>Equipment</i>	\$127,728
	<i>Packaging</i>	\$4,620
	<i>Supplies and materials</i>	\$26,665
	<i>Lab supplies and testing</i>	\$8,311
	Labor costs:	\$575,261
	Construction costs:	\$7,787,483
	Legal services:	\$60,738
	Security services:	\$65,643
	IT services:	\$7,366
	License fee:	\$100,000
	Permit fees:	\$1,300

iii. The details of any items or services for which the licensee subcontracted and the costs of each subcontractor directly or indirectly working for the contractor

2018: Licensee contracted with GB Sciences Louisiana, LLC, under an Agreement for Services at no cost to Licensee.

GB Sciences Louisiana, LLC, subcontracted for the following services:

Construction costs:	\$7,787,483
Legal services:	\$60,738
Security services:	\$65,643
IT services:	\$7,366
Suitability costs:	\$60,000

iv. The amount of therapeutic chemicals produced resulting from the marijuana grown pursuant to this Section.

2018: No final formulations were produced.

v. The amounts paid each year to the licensee related to the licensee's production of therapeutic marijuana pursuant to this Section

2018: No sales were made to any licensed pharmacy.

vi. The amount of therapeutic marijuana distributed to each pharmacy licensed to dispense therapeutic marijuana in this state during each calendar year.

2018: No therapeutic marijuana was distributed to any licensed pharmacy.



Southern University Agricultural Land-Grant Campus
Office of the Chancellor-Dean
www.suagcenter.com

January 29, 2019

Kelli James
Louisiana Department of Agriculture and Forestry
Medical Marijuana Program
5825 Florida Boulevard, Suite 2000
Baton Rouge, LA 70806

RE: SOUTHERN UNIVERSITY/ADVANCED BIOMEDICS MEDICAL MARIJUANA ANNUAL REPORT

Below are the responses to the requested information in accordance to the law LRS 40:1046 (H)(6). As of December 31, 2018, all information is not available; however, the responses are to those items which are applicable.

i. The amount of gross marijuana produced by the licensee during each calendar year.

Due to delays related to change in ownership, the contractor has not yet begun to grow marijuana and produce medicine. Production is expected to begin in March/April 2019.

ii. The details of all production costs including but not limited to seed, fertilizer, labor, advisory services, construction, and irrigation.

Currently, the contractor has executed a lease agreement on the land that will be used for the facility. Costs associated with production are limited to labor (2 employees- \$7,784.83), advisory services (\$7,500.00), construction/building permits (\$4,000.00) and communications/public relations (\$10,000.00).

iii. The details of any items or services for which the licensee subcontracted and the cost of each subcontractor directly or indirectly working for the contractor.

Currently, no subcontracts have been initiated between Southern University and/or Advanced Biomedics d/b/a Ilera Holistic for any services directly or indirectly related to the project.

iv. The amount of therapeutic marijuana distributed to each pharmacy licensed to dispense therapeutic marijuana in this state during each calendar year.

Refer to item i. above.

- v. **The amounts paid each year to the licensee related to the licensee's production of therapeutic marijuana pursuant to this Section.**

To date, Southern University has received payments in the amount of \$2,150,000 from Advanced Biomedics.

- a. \$1,000,000 signing bonus
- b. \$1,000,000 guarantee
- c. \$150,000 contribution to the Southern Institute for Medicinal Plants

- vi. **The amount of therapeutic marijuana distributed to each pharmacy licensed to dispense therapeutic marijuana in this state during each calendar year.**

Refer to item i. above.

Please let me know if you have any questions regarding the responses.

Respectfully,



Janana Snowden, Ph.D.
Coordinator/Liaison
SU Medical Marijuana Program

APPROVED:

 1/29/19

Bobby R. Phills, Chancellor-Dean, Southern University Ag Center

Louisiana Department of Agriculture & Forestry
 Medical Marijuana Program
 Fiscal Year 2018/2019

Expenditure Budget	
Salaries	\$425,000
Other Compensation/Wages	-
Related Benefits	\$217,813
Travel	\$9,000
Operating Services	\$7,735
Supplies	\$4985
Professional Services	-
Other Charges	\$10,000
Acquisitions	\$650,400
Major Repairs	-
Debt Service	-
Interagency Transfers	\$50,000
Auxiliary	-
TOTAL EXPENDITURES	\$1,374,933

CONTACT INFORMATION

Tabitha Irvin
Louisiana Department of Agriculture & Forestry
Executive Counsel
Director, Medical Marijuana Program
5825 Florida Blvd., Suite 2000
Baton Rouge, LA 70806
(225) 922-1244 (ofc)
(225) 923-4821 (fax)
tgray@ldaf.state.la.us
mmj@ldaf.state.la.us