



The following guidance is provided by the Maryland Cannabis Administration (MCA) to assist cannabis licensees comply with State laws and regulations governing the cannabis industry. This document is not legal advice. It is meant to highlight operational changes for **licensed growers**. Please consult an attorney if you have any questions regarding the legal requirements that apply.

Canopy

A previously licensed grower, i.e. an operational business that holds a license issued prior to December 31, 2022, may expand its canopy from its maximum amount of canopy, as self-reported to the MMCC on or before December 1, 2022, beginning January 1, 2024. The total expanded canopy may not exceed the following limits prior to January 1, 2027:

Beginning on January 1, 2024, a licensee may expand the amount of canopy, only as follows:

- If the canopy is under 25,000 sq. ft., to 25,000 square feet or by 20%, whichever is greater;
- If the canopy is at or above 25,000 sq. ft., by 20%; or
- If the licensee has a sq. ft. expansion that was preapproved before December 31, 2022, the preapproved expansion or 20%, whichever is greater.

In addition, a licensee may only expand the amount of canopy, according to the following schedule:

- Beginning January 1, 2024, the licensee may expand its canopy of operations by not more than 50% of the total square footage authorized under the paragraph above (e.g., up to 50% of any preapproved expansion that was preapproved before December 31, 2022); and
- Beginning May 1, 2024, the licensee may expand its canopy of operations for the remaining total square footage authorized.

Indoor versus Outdoor Cultivation

MCA has defined "indoor cultivation" to mean producing cannabis plants in a permanent structure that provides control of environmental conditions using artificial heating, air conditioning, or other climate control. A "permanent structure" means a building, shipping container, greenhouse, or other structure that is used for cultivation for 180 days or more in a one year period.

"Outdoor cultivation" means producing flowering cannabis plants in an area that is directly or indirectly exposed to outdoor elements. In determining whether a cultivation premises qualifies as outdoor, MCA may consider the number of cultivation cycles that can be produced at the facility.

Outdoor cultivation areas are subject to the following additional provisions:

- Be situated to maintain the greatest achievable level of privacy and security.
- Be securely surrounded by fencing and gates constructed to prevent unauthorized entry and be equipped with an alarm system that:
 - Covers the entire perimeter;
 - Is continuously monitored; and
 - Is capable of detecting power loss.
- Protected by a video surveillance recording system to ensure:
 - Surveillance of the entire perimeter of the area of cultivation;
 - Surveillance over all portions of the security fence and all gates; and
 - Adherence to the video surveillance requirements detailed in 14.17.10.02H
- An outdoor grower may modify its security lighting to protect light-dark cycles, provided the security lighting is adequate to satisfy the video surveillance system requirements detailed in COMAR [14.17.10.02](#).
- To qualify as an outdoor cultivation area, it may not be 1) enclosed by a permanent structure or 2) employ artificial climate control systems.

Home Cultivation Products

Home cultivation products include clones, seeds, seedlings, stalks, roots, and stems of the cannabis plant. Adult-use consumers and qualifying patients may purchase home cultivation products from licensed dispensaries, including seedlings up to 8 inches tall and 8 inches wide. At this time, a licensed dispensary may only obtain home cultivation products from a licensed grower.

Trade Practices

A previously licensed grower, i.e. an operational business that holds a license issued prior to December 31, 2022, is required to make a good faith effort to allow for at least 10 percent of cannabis grown to be transferred to:

- A licensed processor or dispensary that has no common ownership interest or control with the grower licensee; and
- Upon licensure and operation of social equity businesses, a licensed processor or dispensary that is a social equity business.

A **previously licensed grower** should prioritize social equity licensees. A **social equity grower** should make a good faith effort to allow for at least 10% of cannabis grown to be transferred to licensees with whom they have no common ownership interest or control. Growers may meet the trade practice requirements through distribution to both processors and dispensaries, as long as they distribute roughly equal amounts to each facility type. The MCA may query METRC for compliance with trade practice requirements.

Discrepancy, Theft, and Diversion Reporting

If a licensee identifies a discrepancy between the inventory of stock and the seed-to-sale tracking system outside of normal weight loss, they must begin an investigation of the discrepancy within 1 business day. If a discrepancy is not resolved within 30 business days,

the licensee must submit a report of their investigation to MCA. Failure to report an unresolved discrepancy may be used as evidence of diversion.

If a licensee finds evidence of theft or diversion, the licensee must report the theft or diversion to the Administration within 1 business day.

Within 30 business days of discovering the theft, diversion, or unresolved discrepancy, the licensee must:

- Complete an investigation;
- Amend its standard operating procedures, if necessary; and
- Send a report of the investigation to the MCA.

Other Operational Considerations

- For packaging and labeling guidance, please refer to [COMAR 14.17.18 Finished Product Packaging](#), as well as the General Information and Packaging and Labeling Guidance documents on the Laws and Regulations page.
- A grower may only transfer up to 50 pounds of cannabis to a dispensary in a single transfer.
- Visitors to any operational areas of the premises must be continually, physically supervised at all times while on the premises. Video surveillance does not suffice for meeting supervision requirements. For growers and processors, individuals who are briefly on the premises for the narrow purposes of package delivery, or other services that do not involve areas of the premises used for cannabis cultivation or processing are exempt from this requirement.

Questions?

Visit cannabis.maryland.gov or use the [MCA Policy Question Intake form](#) to submit policy questions related to cannabis regulations, legislation, issued guidance, or licensing. MCA will review submissions and publish an updated FAQ document on the [Laws & Regulations](#) page.