



Liquor and Cannabis Board Revised Interim Policy BIP-04-2016

Subject: Allowing Transfers of Wet Flower from Producers to Processors

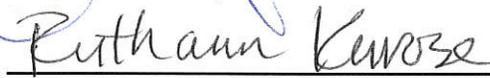
Effective Date: August 24, 2016

Ending Date: Upon adoption of rules to implement this policy.

Approved:



Jane Rushford, Chair



Ruthann Kurose, Board Member



Ollie Garrett, Board Member

Purpose:

This Interim Policy is to address an issue in rule that will be addressed in current open rulemaking for technical and housekeeping changes. "Producers-only" locations want to harvest marijuana plants and transfer the wet material to licensed processors without packaging the marijuana into lots. A technicality in current rule prohibits licensees with only a producer privilege (meaning that they do not also hold a processor license) from harvesting marijuana plants and transferring the wet material to licensed processors without packaging the marijuana into lots.

Many "producer-only" licensees would prefer to harvest their plants and send them to a processor for drying, curing, and trimming into lots. However, rule does not allow this transaction due to a clause in WAC 314-55-075(1) that requires producers to package marijuana into lots for wholesale to processors. See WAC 314-55-705(1): "A marijuana producer license allows the licensee to produce, harvest, trim, dry, cure, and package marijuana into lots for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees." Rule defines "lots" as flower from the same strain not to exceed five pounds. See WAC 314-55-010(16). The only option for producers in rule is to package items into lots before wholesaling the lots to processors. This means that producers cannot harvest plants and transfer them to processors for further processing into lots, so producers have been unable to cost-effectively transfer freshly harvested wet plants to processors for processing into lots. This issue is most problematic for outdoor producer-only licensees who harvest large quantities of marijuana once per year from September to November. Many outdoor growing operations are set for growing marijuana, not for processing it into lots. Removing this technicality and allowing

producers to wholesale harvested wet flower to processors prior to packaging into lots will directly address this issue.

We currently allow transfers of wet flower within a UBI (intra-UBI) between separate producer-processor hybrid locations since it is not considered a wholesale. This allows producers to transfer wet flower within a UBI to their processor, and allow the processor within that UBI to complete the cure stage. This interim policy opens that allowance to transfers between UBIs (inter-UBI) so “producer-only” locations may harvest wet flower and wholesale to a processor for further drying, curing, and lotting.

Policy Statement

In addition to the provisions of WAC 314-55-075(1) allowing a marijuana producer licensee to produce, harvest, trim, dry, cure, and package marijuana into lots for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees, marijuana producers may wholesale and transfer wet flower to licensed processor locations without packaging into lots.