



Washington State Liquor and Cannabis Board

To: David Postman, Board Chair
Ollie Garrett, Board Member
Jim Vollendroff, Board Member

From: Kathy Hoffman, Policy and Rules Manager

Date: July 20, 2022

Copy: Rick Garza, Agency Director
Toni Hood, Deputy Director
Justin Nordhorn, Policy and External Affairs Director
Becky Smith, Licensing and Regulation Director
Chandra Brady, Director of Enforcement and Education

Subject: Request for approval to rescind Board Interim Policy (BIP) 04-2016 concerning allowing transfers of wet flowers from producers to processors

In early 2016, the Board became aware that cannabis producer licensees preferred to harvest and send plants to a processor for drying, curing and trimming into lots. However, rule did not allow this transaction. Specifically, WAC 314-55-075(1) provides that “A cannabis producer license allows the licensee to produce, harvest, trim, dry, cure, and package cannabis into lots for wholesale to processors.” WAC 314-55-010(20) defines “lot” as either flower from one or more cannabis plants of the same strain, and a single lot of flower cannot weigh more than five pounds; or the trim, leaves, or other plant matter from one or more cannabis plants, and a single lot of trim, leaves, or other plant matter cannot weigh more than fifteen pounds.

This rule resulted certain cannabis producers being unable to cost-effectively transfer freshly harvested wet plants to processors for processing into lots. This was problematic for outdoor producer-only licensees who harvest large quantities of cannabis once per year (generally September to November) since these businesses were designed to grow, rather than process cannabis. Allowing producers to wholesale harvested wet flower to processors prior to packaging into lots directly addressed the issue.

The policy went into effect on August 24, 2016, and was designed to end on the date rules became effective to implement the policy. Although this rule section was opened twice since that time for narrowly scoped rulemaking (legislative implementation in 2017 and tier 1 expansion in 2019), the rule has not been updated. For these reasons, this policy is still necessary until more broadly scoped rulemaking concerning WAC 314-55-075 is considered.

If the Board approves rescission of BIP 04-2016, the agency will file Policy Statement PS22-03 with the Code Reviser, send notice to stakeholders, and remove BIP 04-2016 from the LCB website.

The Board approves/disapproves the rescission of BIP 04-2016.

_____ Approve _____ Disapprove _____
David Postman, Chair _____
Date

_____ Approve _____ Disapprove _____
Ollie Garrett, Board Member _____
Date

_____ Approve _____ Disapprove _____
Jim Vollendroff, Board Member _____
Date



Policy Statement

Title: Transfer of Wet Flower from Licensed Cannabis Producers to Licensed Cannabis Processors **Number:** PS 22-03

References: [RCW 69.50.325](#)
[RCW 69.50.342](#)
[WAC 314-55-075](#)

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Effective Date: July 20, 2022

Approved By: Justin Nordhorn, Director Policy and External Affairs, WSLCB

[RCW 34.05.230 – Interpretive and policy statements](#)

- (1) An agency is encouraged to advise the public of its current opinions, approaches, and likely courses of action by means of interpretive or policy statements. Current interpretive and policy statements are advisory only. To better inform the public, an agency is encouraged to convert long-standing interpretive and policy statements into rules.

INTRODUCTION

This policy statement describes how the Washington State Liquor and Cannabis Board (WSLCB) will continue to allow licensed cannabis producers to wholesale and transfer wet cannabis flower to licensed cannabis processor locations without packaging wet cannabis flower into lots.

This policy statement supersedes and replaces Board Interim Policy (BIP) 04-2016 and any agency guidance concerning this topic.

POLICY STATEMENT

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

STATUTORY AUTHORITY

RCW 69.50.325(1) provides that a cannabis producer license is authorized to produce cannabis for wholesale to cannabis processors and other cannabis producers.

RCW 69.50.325(2) provides that a cannabis processor license authorizes the licensee to process, package, and label cannabis concentrates, useable marijuana, and cannabis infused products for sale at wholesale to cannabis processors and cannabis retailers.

RCW 69.50.342(1)(c) provides that the Board may adopt rules concerning the methods of producing, processing, and packaging marijuana, useable marijuana, cannabis concentrates, and marijuana-infused products

REGULATORY AUTHORITY

WAC 314-55-075 describes cannabis producer licensees, including privileges, requirements and fees.

BACKGROUND AND ANALYSIS

In early 2016, the Board became aware that cannabis producer licensees preferred to harvest and send plants to a processor for drying, curing and trimming into lots. However, rule did not allow this transaction. Specifically, WAC 314-55-075(1) provides that “A cannabis producer license allows the licensee to produce, harvest, trim, dry, cure, and package cannabis into lots for wholesale to processors.” WAC 314-55-010(20) defines “lot” as either flower from one or more cannabis plants of the same strain, and a single lot of flower cannot weigh more than five pounds; or the trim, leaves, or other plant matter from one or more cannabis plants, and a single lot of trim, leaves, or other plant matter cannot weigh more than fifteen pounds.

This rule resulted certain cannabis producers being unable to cost-effectively transfer freshly harvested wet plants to processors for processing into lots. This was problematic for outdoor producer-only licensees who harvest large quantities of cannabis once per year (generally September to November) since these businesses were designed to grow, rather than process cannabis. Allowing producers to wholesale harvested wet flower to processors prior to packaging into lots directly addressed the issue.

CONCLUSION

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