EXHIBIT C

Washington State
Liquor and Cannabis Board

Overview of the WSLCB Rule Development Process

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Washington State Liquor and Cannabis Board
HCA- DBHR Presentation
November 12, 2020

Washington State
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Today's Presentation

- WSLCB rule development process, including:
  - **What does the WSLCB do**?
  - **Rule development process**
    - From concept to completion
  - **How to get involved**
    - Statutory and regulatory authority
    - The most effective ways to provide input and comment
  - **Current Rule Projects and Future Rule Projects**

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Who is WSLCB and what does WSLCB do?

- Three-person Board
  - Holds regular public meetings and work sessions with stakeholders;
  - Makes policy and budget decisions;
  - Adjudicates contested license applications and enforcement actions on licensees.
  - Board members are also responsible for hiring the agency's Director, who manages day-to-day operations.
- License liquor, cannabis, vapor and tobacco product production, processing and product sale.
- The Board does not create or pass statutes (laws).
- The Board *does* approve or authorize rules that implement statutes (laws).

Rule Development Process

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Basic Rule Making Process

The standard rule making process is described in chapter 34.05 RCW, the Administrative Procedures Act, and divided into three stages:

- Stage 1: Pre-proposal Statement of Inquiry (CR-101) – RCW 34.05.310
- Stage 2: Proposed Rule Making (CR-102) - RCW 34.05.320
- State 3: Rule-making Order (CR-103) - RCW 34.05.360

Each stage consists of specific tasks and processes.

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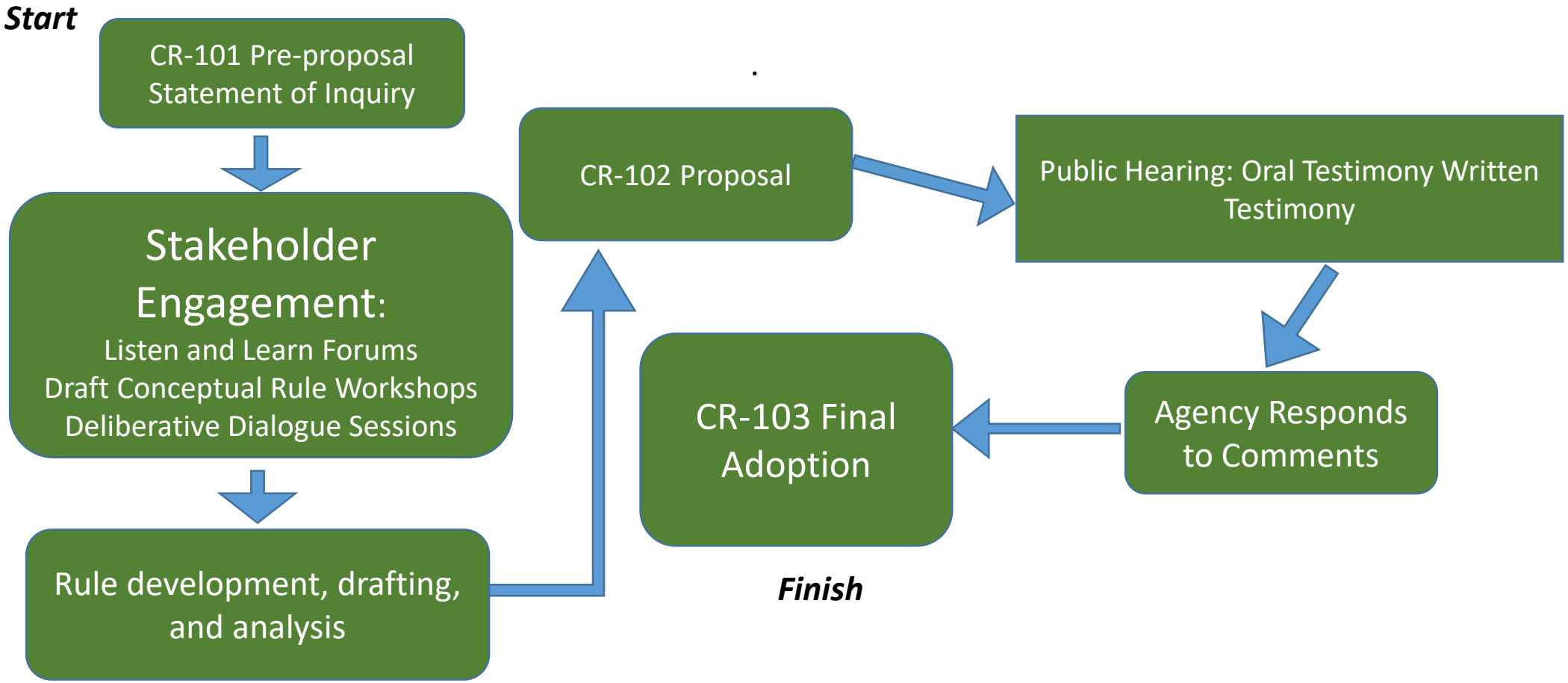

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Standard Rule Making – Stage 1

Pre-Proposal Statement of Inquiry (CR-101) – RCW 34.05.310

Purpose: Describes the issue(s) being considered for rule development

- The CR-101 identifies the purpose and scope of rulemaking.
- The scope of the rules created through this process is controlled by statutory authority and must be compatible with existing requirements.
- Most rule development occurs after the CR-101 is filed.
- The agency collaborates with stakeholders to develop rules. *This is considered an informal process*.
  - Includes Listen & Learn sessions, rules workshops, and other forms of inclusive stakeholder engagement.
- **The agency begins internal development of required analysis as described in chapter 34.05 RCW, the Administrative Procedures Act, and chapter 19.85 RCW, the Regulatory Fairness Act .**

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Standard Rule Making – Stage 2

Proposed Rule Making (CR-102) – RCW 34.05.320

Purpose: Describes the rule proposal and impact analysis.

- The agency drafts a *proposed* rulemaking order consistent with the requirements of RCW 34.05.320.
- Once the CR-102 is filed, a formal review period and comment process begins.
- The CR-102 provides information regarding the date, time, and location of the public hearing, how formal comment may be made before the hearing, and other details.
- At the public hearing, the public may provide written comment, oral testimony, or both.

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Standard Rule Making – Stage 3

Rule Making Order (CR-103P) – RCW 34.05.360

Purpose: Final rule adoption

- After the public hearing and review period, the agency compiles all comments received, and makes a decision whether the proposed rules should be changed or adopted as proposed.
- If the agency makes substantive changes, a supplemental CR-102 must be filed (see RCW 34.05.340), and a second public hearing held. This substantially extends timelines.
- If the agency adopts the rule as proposed, the agency files the rulemaking order, or CR-103P, and the rules typically become effective 31 days later.
- All comments and the agency's responses are compiled into a Concise Explanatory Statement, and provided to all commenters and the public shortly after the adopted rules are filed.
- The Board is the final decision maker for all WSLCB rules.

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How to Get Involved

- **Subscribe to WSLCB GovDelivery messages:** https://public.govdelivery.com/accounts/WALCB/subscriber/new
- **Participate in Listen and Learn and other WSLCB hosted rule development forums**
- **Contact Sara Cooley Broschart, WSLCB Public Health Liaison:** sara.broschart@lcb.wa.gov
- **Follow Board meetings and Board caucus sessions:** https://lcb.wa.gov/boardmeetings/board_meetings

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Statutory vs. Regulatory Authority

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What is a statute?

- A statute is a law passed by a legislative body, like the Washington State Legislature. *Boards and Commissions are not legislative bodies that create or develop statute.*

Example: **RCW 69.50.357**

Retail outlets—Rules.

- (5) The state liquor and cannabis board must fine a licensee one thousand dollars for each violation of any subsection of this section. Fines collected under this section must be deposited into the dedicated marijuana account created under RCW **69.50.530**.

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What is a rule (or regulation)?

- A directive made and maintained by an authority that interprets or implements a statute, establishes a program, standards or criteria.

Example: **WAC 314-55-086**

Mandatory signage.

(1) All licensed marijuana processors, producers, and retailers, with the exception of licensed retailers with a medical marijuana endorsement, must conspicuously post a notice provided by the board about persons under twenty-one years of age at each entry to all licensed premises. The notice must contain all of the following language: "Persons under twenty-one years of age not permitted on these premises."

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What Can the WSLCB Put in Rule?

- **Guidelines regarding product production, processing, and retail sale for liquor, cannabis, tobacco and vapor products.**
  - *WSLCB does not have the statutory authority to regulate consumer behavior or product consumption once the product leaves the retail establishment.*

- **Penalties and fees where expressly mandated by statute**.
  - *When penalties and fees are established in statute, WSLCB cannot increase, decrease, or modify those penalties and fees.*

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What Makes a Great Comment?

- **Substantive:** A substantive comment identifies an issue you have with the language, says why it's a problem, and offers other *factual, unbiased, verifiable information* for WSLCB to consider.

Qualities of a substantive comment:

- References document pages, chapters or sections and *uses objective information*.
- ***Uses verifiable facts*** to question the adequacy, accuracy, methodology, or assumptions of the analysis.
- Proposes ***a reasonable new alternative or revision*** to the alternatives presented.
- Identifies a passage in the document that is unclear.

Things that *do not* qualify a comment as substantive:

- Offering only anecdotal stories or research "suggesting" an outcome or relationship.
- Crafting an emotionally compelling story without facts.
- Stating only that you agree or disagree with a policy, resource decision, analysis finding or presented alternative.
- Asking vague or open-ended questions.
- Commenting on ***unrelated projects or rules*****.**

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What Makes a Great Comment?

Example of a Helpful Substantive Comment:
I disagree with closing Route 245A in Alternative E. I need the road to access my private land.

Example of an Unhelpful Comment :
Stop closing our roads.

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Actual WSLCB Examples

Unhelpful

WAC 314-55-525 Category VI.
Statutory penalty violations.

Allowing a minor to frequent a retail store. RCW 69.50.357(2)	$1,000 monetary fine
Allowing persons under twenty-one years of age to frequent a retail licensed premises. RCW 69.50.357	$1,000 monetary fine
Employee under legal age. RCW 69.50.357(2)	$1,000 monetary fine
Opening or consuming marijuana on a licensed retail premises, or both. RCW 69.50.357(4)	$1,000 monetary fine
Retail outlet selling unauthorized products. RCW 69.50.357 (1)(a)	$1,000 monetary fine

- Actual comment received (paraphrased): Asked WSLCB to substantially increase penalties, including license cancellation based on commentors assertion that no minors should be near or allowed in I-502 stores.

- The reality: As noted in the table, this is a statutorily established fine with no licensee cancellation option. Since I-502 stores are age-gated, there is a high compliance rate, and this violation occurs less often than others.

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Actual WSLCB Examples

WAC 314-55-105: Marijuana Product Packaging and Labeling:

4) **Marijuana edibles in liquid form.** The following standards apply to all packaging and labeling of marijuana edibles in liquid form:

(a) Containers or packaging containing marijuana edibles in liquid form must protect the product from contamination. Containers or packaging must not impart any toxic or harmful substance to the marijuana edibles in liquid form.

(b) Marijuana edibles in liquid form must be packaged:

(i) In child resistant packaging consistent with 16 C.F.R. Part 1700, Poison Prevention Packaging Act; or

(iii) Marijuana edibles in liquid form that include more than one serving must be packaged with a resealable closure or cap. Marijuana edibles in liquid form must include a measuring device such as a measuring cup or dropper. Hash marks on the bottle or package qualify as a measuring device.

Helpful

- Actual comments received (paraphrased): Original conceptual draft rule removed measuring device. Comments from public health and prevention, based on actual, verifiable data urged WSLCB and industry to reconsider and add measuring cup or device back into rule along with hashmarks on bottles.

- The reality: All parties interested in assuring products are safely packaged when leaving retail facility. Option offered processors options that supported compliance.

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Current and Future Rule Projects

- **Current**
  - Cannabis vapor products
  - Cannabis product testing
  - Cannabis Tier 1 expansion
  - Cannabis legislative implementation
  - Liquor legislative implementation
- **Future**
  - COVID-19 temporary allowances
  - 2021 Legislative implementation
  - Cannabis advertising rules
  - Liquor rule remodel

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Resources

- **WSLCB frequently requested lists***: https://lcb.wa.gov/records/frequently-requested-lists*
- **WSLCB data portal (general cannabis information)**: *https://data.lcb.wa.gov*
- **WSLCB public records:** *https://lcb.wa.gov/records/make-public-records-request*

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Questions?

Contact Kathy Hoffman, Policy and Rules Manager
360-664-1622 (Desk)
360-764-0608
katherine.hoffman@lcb.wa.gov

Thank you!

EXHIBIT D

COST PROJECTION FOR SAMPLING PROGRAM (PRODUCERS ONLY) 2/8/2021

	Base Month	Base Annual	Total	Westside	Eastside
Agricultural Commodity Inspector 2	**modified "Auditor" type**		**41.00**	**13.00**	**28.00**
Salary/Benefits	$ 5,678	$ 68,132	**$ 2,793,412**	$ 885,716	$ 1,907,696
Ongoing except travel	$ 326	$ 3,910	**$ 160,310**	$ 50,830	$ 109,480
Travel (per diem, lodging)	$ 250	$ 3,000	**$ 123,000**	$ 39,000	$ 84,000
Vehicle lease - Toyota RAV 4	$ 347	$ 4,160	**$ 170,560**	$ 54,080	$ 116,480
Mileage (at $0.15/mi - DES rate 1/2021)			**$ 377,531**	$ 73,302	$ 304,229
Total ongoing	**$ 6,600**	**$ 79,202**	**$ 3,624,813**	**$ 1,102,928**	**$ 2,521,885**
Onetime		$ 1,325	**$ 54,325**	$ 17,225	$ 37,100
Total 1st year	**$ 6,711**	**$ 80,527**	**$ 3,679,138**	**$ 1,120,153**	**$ 2,558,985**

Program Specialist 3 (Supervisor)	**modified "Auditor" type**		**9.00**	**3.00**	**6.00**
Salary/Benefits	$ 8,005	$ 96,057	**$ 864,513**	$ 288,171	$ 576,342
Ongoing except travel	$ 326	$ 3,910	**$ 35,190**	$ 11,730	$ 23,460
Travel (per diem, lodging)	$ 250	$ 3,000	**$ 27,000**	$ 9,000	$ 18,000
Vehicle lease - Toyota RAV 4	$ 347	$ 4,160	**$ 37,440**	$ 12,480	$ 24,960
Mileage (est at 2,000 mi/mo, $0.15/mi)			**$ 32,400**	$ 10,800	$ 21,600
Total ongoing	**$ 8,927**	**$ 107,127**	**$ 996,543**	**$ 332,181**	**$ 664,362**
Onetime		$ 1,325	**$ 54,325**	$ 17,225	$ 37,100
Total 1st year	**$ 9,038**	**$ 108,452**	**$ 1,050,868**	**$ 349,406**	**$ 701,462**

Program Specialist 2 (Sample auditor)	**"Office" type**		**1.00**
Salary/Benefits	$ 6,344	$ 76,122	**$ 76,122**
Ongoing except travel	$ 231	$ 2,770	**$ 2,770**
Travel (per diem, lodging)	$ -		**$ -**
Hybrid Premium Vehicle Lease	$ -		**$ -**
Mileage			**$ -**
Total ongoing	**$ 6,574**	**$ 78,892**	**$ 78,892**
Onetime		$ 6,105	**$ 6,105**
Total 1st year	**$ 7,083**	**$ 84,997**	**$ 84,997**

WMS Band 2 (Program Manager)	**"Office" type**		**1.00**
Salary/Benefits	$ 9,804	$ 117,650	**$ 117,650**
Ongoing except travel	$ 231	$ 2,770	**$ 2,770**
Travel (per diem, lodging)	$ -		**$ -**
Hybrid Premium Vehicle Lease	$ -		**$ -**
Mileage			**$ -**
Total ongoing	**$ 10,035**	**$ 120,420**	**$ 120,420**
Onetime		$ 6,105	**$ 6,105**
Total 1st year	**$ 10,544**	**$ 126,525**	**$ 126,525**

		Total	Westside	Eastside
TOTAL PROGRAM COSTS	**Monthly**	**52.00**	**16.00**	**34.00**
Salary/Benefits	$ 320,975	**$ 3,851,697**	$ 1,173,887	$ 2,484,038
Ongoing except travel	$ 16,753	**$ 201,040**	$ 62,560	$ 132,940
Travel (per diem, lodging)	$ 12,500	**$ 150,000**	$ 48,000	$ 102,000
Hybrid Premium Vehicle Lease	$ 17,333	**$ 208,000**	$ 66,560	$ 141,440
Mileage	$ 34,161	**$ 409,931**	$ 84,102	$ 325,829
Total ongoing	**$ 401,722**	**$ 4,820,668**	**$ 1,435,109**	**$ 3,186,247**
Onetime		**$ 120,860**	$ 34,450	$ 74,200
Total 1st year		**$ 4,941,528**	**$ 1,469,559**	**$ 3,260,447**

Sampling Program Calculator (Producers only)

Staff calculations	Total	Westside	Eastside
# of active producer licensees	1,075	504	571
visits to licensees/year		12	12
# of samples per visit		12	12
# of trips/month	1,075	504	571
# of samples/month	12,900	6,048	6,852
Hours needed for samples/month	4,938	1,512	3,426
FTE equiv (1,490 hrs/FTE)	39.77	12.18	27.59
Sampler FTE's (round up)	41.00	13.0	28.0
# of samplers per supervisor	5	5	5
# supervisors	9.0	3.0	6.0
# of sample auditors	1		
Program Manager	1		
Total Staff FTE's	52.00	16.0	34.0

Inspection Fee calculations		Westside		Eastside	
Component	Rate	Variable	Total	Variable	Total
Inspection fee	$200.00		$ 200.00		$ 200.00
Mileage from dispatch to licensee	$ 0.57	7.5	$ 4.28	143.0	$ 81.51
Mileage from licensee to lab	$ 0.57	33.3	$ 18.98	148.0	$ 84.36
Mileage from lab to duty station	$ 0.57	40.0	$ 22.80	5.0	$ 2.85
Hourly rate (collection)	$ 40.00	1.0	$ 40.00	1.0	$ 40.00
Hourly rate (travel)	$ 40.00	2.0	$ 80.00	5.0	$ 200.00
			$ -		$ -
Cost per inspection trip			$ 366.06		$ 608.72

Total Hours to do inspection		3.00		6.00	
Miles per inspection		80.80		296.00	
average MPH		40.40		59.20	

Westside example:

A licensee located in Olympia scheduled for the required flower testing under 314-55-102.
Licensee selects Medicine Creek as the lab to perform the compliance testing.
Assume an inspector is dispatched from Olympia.

Distance from Olympia inspector to licensed location: 7.5 miles
Distance from licensed location to lab: 33.3 miles
Distance from lab to duty station in Olympia: 40 miles
Hourly rate for sample collection (assuming 1 hour for collection): $40
Travel time rounded to nearest hour for calculation purposes: 2 hours @$40

Eastside example:

A licensee located in Omak scheduled for the required flower testing under 314-55-102.
Licensee selects Green Grower as the lab to perform the compliance testing.
Assumes an inspector is dispatched from Spokane

Distance from Spokane inspector to licensed location: 143 miles
Distance from licensed location to lab: 148 miles
Distance from lab to duty station in Spokane: 5 miles
Hourly rate for sample collection (assuming 1 hour for collection): $40
Travel time rounded to nearest hour for calculation purposes: 5 hours @ $40

COST PROJECTION FOR SAMPLING PROGRAM (PRODUCERS & PROCESSORS) 2/8/2021

	Base Month	Base Annual	Total	Westside	Eastside
Agricultural Commodity Inspector 2	**modified "Auditor" type**		**48.00**	**16.00**	**32.00**
Salary/Benefits	$ 5,678	$ 68,132	**$ 3,270,336**	$ 1,090,112	$ 2,180,224
Ongoing except travel	$ 326	$ 3,910	**$ 187,680**	$ 62,560	$ 125,120
Travel (per diem, lodging)	$ 250	$ 3,000	**$ 144,000**	$ 48,000	$ 96,000
Vehicle lease - Toyota RAV 4	$ 347	$ 4,160	**$ 199,680**	$ 66,560	$ 133,120
Mileage (at $0.15/mi - DES rate 1/2021)			**$ 438,339**	$ 96,281	$ 342,058
Total ongoing	**$ 6,600**	**$ 79,202**	**$ 4,240,035**	**$ 1,363,513**	**$ 2,876,522**
Onetime		$ 1,325	**$ 63,600**	$ 21,200	$ 42,400
Total 1st year	**$ 6,711**	**$ 80,527**	**$ 4,303,635**	**$ 1,384,713**	**$ 2,918,922**

Program Specialist 3 (Supervisor)	**modified "Auditor" type**		**9.00**	**3.00**	**6.00**
Salary/Benefits	$ 8,005	$ 96,057	**$ 864,513**	$ 288,171	$ 576,342
Ongoing except travel	$ 326	$ 3,910	**$ 35,190**	$ 11,730	$ 23,460
Travel (per diem, lodging)	$ 250	$ 3,000	**$ 27,000**	$ 9,000	$ 18,000
Vehicle lease - Toyota RAV 4	$ 347	$ 4,160	**$ 37,440**	$ 12,480	$ 24,960
Mileage (est at 2,000 mi/mo, $0.15/mi)			**$ 32,400**	$ 10,800	$ 21,600
Total ongoing	**$ 8,927**	**$ 107,127**	**$ 996,543**	**$ 332,181**	**$ 664,362**
Onetime		$ 1,325	**$ 63,600**	$ 21,200	$ 42,400
Total 1st year	**$ 9,038**	**$ 108,452**	**$ 1,060,143**	**$ 353,381**	**$ 706,762**

Program Specialist 2 (Sample auditor)	**"Office" type**		**1.00**
Salary/Benefits	$ 6,344	$ 76,122	**$ 76,122**
Ongoing except travel	$ 231	$ 2,770	**$ 2,770**
Travel (per diem, lodging)	$ -		**$ -**
Hybrid Premium Vehicle Lease	$ -		**$ -**
Mileage			**$ -**
Total ongoing	**$ 6,574**	**$ 78,892**	**$ 78,892**
Onetime		$ 6,105	**$ 6,105**
Total 1st year	**$ 7,083**	**$ 84,997**	**$ 84,997**

WMS Band 2 (Program Manager)	**"Office" type**		**1.00**
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Ongoing except travel	$ 231	$ 2,770	**$ 2,770**
Travel (per diem, lodging)	$ -		**$ -**
Hybrid Premium Vehicle Lease	$ -		**$ -**
Mileage			**$ -**
Total ongoing	**$ 10,035**	**$ 120,420**	**$ 120,420**
Onetime		$ 6,105	**$ 6,105**
Total 1st year	**$ 10,544**	**$ 126,525**	**$ 126,525**

		Total	Westside	Eastside
TOTAL PROGRAM COSTS	**Monthly**	**59.00**	**19.00**	**38.00**
Salary/Benefits	$ 360,718	**$ 4,328,621**	$ 1,378,283	$ 2,756,566
Ongoing except travel	$ 19,034	**$ 228,410**	$ 74,290	$ 148,580
Travel (per diem, lodging)	$ 14,250	**$ 171,000**	$ 57,000	$ 114,000
Hybrid Premium Vehicle Lease	$ 19,760	**$ 237,120**	$ 79,040	$ 158,080
Mileage	$ 39,228	**$ 470,739**	$ 107,081	$ 363,658
Total ongoing	**$ 452,991**	**$ 5,435,890**	**$ 1,695,694**	**$ 3,540,884**
Onetime		**$ 139,410**	$ 42,400	$ 84,800
Total 1st year		**$ 5,575,300**	**$ 1,738,094**	**$ 3,625,684**

Sampling Program Calculator (Producers and Processors)

Staff calculations	Total	Westside	Eastside
# of active producers & processors	1,304	662	642
visits to licensees/year		12	12
# of samples per visit		12	12
# of trips/month	1,304	662	642
# of samples/month	15,648	7,944	7,704
Hours needed for samples/month	5,838	1,986	3,852
FTE equiv (1,490 hrs/FTE)	47.02	15.99	31.02
Sampler FTE's (round up)	48.00	16.0	32.0
# of samplers per supervisor	5	5	5
# supervisors	9.0	3.0	6.0
# of sample auditors	1		
Program Manager	1		
Total Staff FTE's	59.00	19.0	38.0

Inspection Fee calculations		Westside		Eastside	
Component	Rate	Variable	Total	Variable	Total
Inspection fee	$200.00		$ 200.00		$ 200.00
Mileage from dispatch to licensee	$ 0.57	7.5	$ 4.28	143.0	$ 81.51
Mileage from licensee to lab	$ 0.57	33.3	$ 18.98	148.0	$ 84.36
Mileage from lab to duty station	$ 0.57	40.0	$ 22.80	5.0	$ 2.85
Hourly rate (collection)	$ 40.00	1.0	$ 40.00	1.0	$ 40.00
Hourly rate (travel)	$ 40.00	2.0	$ 80.00	5.0	$ 200.00
			$ -		$ -
Cost per inspection trip			$ 366.06		$ 608.72

Total Hours to do inspection		3.00		6.00	
Miles per inspection		80.80		296.00	
average MPH		40.40		59.20	

Westside example:

A licensee located in Olympia scheduled for the required flower testing under 314-55-102.
Licensee selects Medicine Creek as the lab to perform the compliance testing.
Assume an inspector is dispatched from Olympia.

Distance from Olympia inspector to licensed location: 7.5 miles
Distance from licensed location to lab: 33.3 miles
Distance from lab to duty station in Olympia: 40 miles
Hourly rate for sample collection (assuming 1 hour for collection): $40
Travel time rounded to nearest hour for calculation purposes: 2 hours @$40

Eastside example:

A licensee located in Omak scheduled for the required flower testing under 314-55-102.
Licensee selects Green Grower as the lab to perform the compliance testing.
Assumes an inspector is dispatched from Spokane

Distance from Spokane inspector to licensed location: 143 miles
Distance from licensed location to lab: 148 miles
Distance from lab to duty station in Spokane: 5 miles
Hourly rate for sample collection (assuming 1 hour for collection): $40
Travel time rounded to nearest hour for calculation purposes: 5 hours @ $40

EXHIBIT E

Washington State
Liquor and Cannabis Board

Information Brief

Topic:	**Third Party Sample Collection Program**
Date:	February 8, 2021
Drafted by:	Kendra Hodgson

☒ Information Only ☐ Decision Needed

Problem or Opportunity

Statements have been made that the current marijuana test requirements are inherently flawed as a result of sample collection inconsistencies and lack of oversight. It has been proposed during Quality Control rule making comment period that WSLCB alter the test sample collection requirements and implement third party test sample collection.

The suggestions presented to the agency include:

Create a new license type for test sample collectors

WSDA runs a sample collection program

WSLCB runs a sample collection program

Labs are required to collect the sample rather that could collect as under current rule (option not presented in public comment)

These options were reviewed by WSLCB staff early in the QC rule development and it was determined that any third party sample programs increases cost to licensees to an extent that was not feasible to implement. Some of these calculations were completed as part of a cost benefit analysis that did not fall within the scope of the Small business Economic Impact Statement.

The information presented in this document will not address each of the three options but will share detail on current regulation and estimated minimum costs that would be associated with state run sample collection programs.

Background

WSLCB

RCW 69.50.348 outlines the authority and requirement for representative samples to be submitted for testing. The language states specifically:

(1) On a schedule determined by the state liquor and cannabis board, every licensed marijuana producer and processor must submit representative samples of marijuana,

useable marijuana, or marijuana-infused products produced or processed by the licensee to an independent, third-party testing laboratory meeting the accreditation requirements established by the state liquor and cannabis board, for inspection and testing to certify compliance with quality assurance and product standards adopted by the state liquor and cannabis board under RCW 69.50.342. Any sample remaining after testing shall be destroyed by the laboratory or returned to the licensee submitting the sample.

Under this authority WAC 314-55-101 outlines who may collect test samples and the manner in which the sample must be collected in order to be representative and establishes the minimum sample size necessary to represent a 5 lb. lot. 4 sub-samples at no less than 1 gram each totaling a 4 gram sample.

Under current rule producers, processors or certified labs may collect the test sample and transport the sample(s) to the certified marijuana testing lab.

In surveying the certified labs they are aware they could offer test sample collection as a service, but to date when asked the labs have stated they are not collecting samples (rare exceptions by the labs were mentioned). There is one lab (Testing Technologies) who lists this as a service they provide.

In essence currently test sample collection is being done by producer/processors staff and they are transporting their samples to the certified lab of their choice for the required tests. This is taking place via license staff or by transporter license holders.

WSDA Hemp Production Pre-Harvest Protocol

Under RCW 15.140.030 the Washington State Department of Agriculture (WSDA) was given the authority to develop the agricultural hemp program in Washington State.

Additional sections of RCW 16.306 set forth the authority for WSDA to establish hemp sampling and testing requirements.

The WSDA hemp program is substantially different in part because of the federal guidelines in play for a commodity that is legal at a federal level.

The WSDA hemp testing program:

- Tests only for THC concentration (WSDA receives a full cannabinoid profile that encompasses potency)
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WSDA Hemp Harvest Sample Request Form

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WSDA Hemp Production Pre-Harvest Sample Protocol

https://agr.wa.gov/getmedia/c7a9924f-2953-4c1b-b408-824098636251/810-hempprodpreharvestsamplingprotocol

Sampling program costs comparisons

	Current WSLCB	WSDA Hemp
Inspection fee	**$0**	**$200**
Mileage fee	**No "additional" fee***	**$.57 /mile**
Hourly rate	**No "additional" fee***	**$40 / hour**
Cost of testing	**	**

***labs could choose to charge fees related to performing sample collection services. Licensees likely have variable costs associated with collecting and delivering a sample. These variable costs will be contingent on business decisions.**

** Variable depending on the lab selected**

Cost structure example:

	Current WSLCB	WSDA Hemp	State Run
Inspection fee	**$0**	**$200**	**$200**
Mileage fee	**No "additional" fee***	**$.57 /mile***	**$.15 -.57mile***
Hourly rate	**No "additional" fee***	**$40 / hour**	**$40 /hour**
Cost of testing	**	**	***

***mileage costs are estimated based on assumption that there are agency provided vehicles and the mileage is the DES rate. Mileage rate subject to change.**

** cost of testing would be charged by the third party lab directly to the licensee**

Example #1:

A licensee located in Olympia, WA scheduled for the required flower testing under 314-55-102.
Licensee selects Medicine Creek as the lab to perform the compliance testing. Assuming an inspector is dispatched from Olympia, WA the following costs would be incurred.

Distance from Olympia inspector to licensed location: 7.5 miles
Distance from licensed location to lab: 33.3 miles
Distance from lab to duty station in Olympia: 40 miles
Hourly rate for sample collection (assuming 1 hour for collection): $40
Travel time rounded up to nearest hour for calculation purposes: $80

	State Run	Example
Inspection fee	**$200**	**$200**
Mileage fee	**$.57/mile**	**$46.06**
Hourly rate	**$40 /hour**	**$120**
Cost of testing	**	**
Estimated Total:		

***example uses the high end of per mileage information currently available**

**** cost of testing varies based on the lab selected to perform the tests**

Example #2

A licensee located in Omak, WA scheduled for the required flower testing under 314-55-102.
Licensee selects Green Grower as the lab to perform the compliance testing. Assuming an inspector is dispatched from Spokane, WA the following costs would be incurred.

Distance from Spokane inspector to licensed location: 143 miles
Distance from licensed location to lab: 148 miles
Distance from lab to duty station: 5 miles
Hourly rate for sample collection (assuming 1 hour for collection): $40
Travel time rounded up to nearest hour for calculation purposes: 5 hours @ $40

	State Run	Example
Inspection fee	**$200**	**$200**
Mileage fee	**$.57/mile**	**$168.72**
Hourly rate	**$40 /hour**	**$240**
Cost of testing	**	**
Estimated Total:		

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**** cost of testing varies based on the lab selected to perform the tests**

Cost Projections

In attempting to project resources needed to run a state sampling program and the costs that would be incurred by licensees the following assumptions were used.

- Sampling program would not be a state subsided program
- Licensee fees would fund the program
- The program would need staffing and infrastructure necessary to scale to ~1500 license locations to encompass all testing required by producers and processors
- At a minimum inspector classifications would be: Agricultural Commodity Field Inspector 2 – Salary Range 36
- A scheduling tool would need to be built or purchased to handle the volume of sample requests
- Chain of custody disclaimers would need to be created
- Fee structure estimates would use existing WSDA hemp program dollar amounts
- Mileage reimbursement rates assume there are agency vehicles provided and per mile would be subject to DES rates which are subject to change
- Total number of samples was calculated using the average amount of samples taken a month ~12,000/per month
- There would be indeterminate opportunity cost loss to licensees in the additional time added to sample collection and test result completion as part of sample scheduling and collection.

Budget Estimates:

Producer only sample collection

Fees would need to support at a minimum 52 FTES and program costs

		Total	Westside	Eastside
TOTAL PROGRAM COSTS	**Monthly**	**52.00**	**16.00**	**34.00**
Salary/Benefits	$ 320,975	**$ 3,851,697**	$ 1,173,887	$ 2,484,038
Ongoing except travel	$ 16,753	**$ 201,040**	$ 62,560	$ 132,940
Travel (per diem, lodging)	$ 12,500	**$ 150,000**	$ 48,000	$ 102,000
Hybrid Premium Vehicle Lease	$ 17,333	**$ 208,000**	$ 66,560	$ 141,440
Mileage	$ 34,161	**$ 409,931**	$ 84,102	$ 325,829
Total ongoing	**$ 401,722**	**$ 4,820,668**	**$ 1,435,109**	**$ 3,186,247**
Onetime		**$ 120,860**	$ 34,450	$ 74,200
Total 1st year		**$ 4,941,528**	**$ 1,469,559**	**$ 3,260,447**

Producer/processor sample collection

Fees would need to support a minimum of 59 FTES and program costs

		Total	Westside	Eastside
TOTAL PROGRAM COSTS	**Monthly**	**59.00**	**19.00**	**38.00**
Salary/Benefits	$ 360,718	**$ 4,328,621**	$ 1,378,283	$ 2,756,566
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Total ongoing	**$ 452,991**	**$ 5,435,890**	**$ 1,695,694**	**$ 3,540,884**
Onetime		**$ 139,410**	$ 42,400	$ 84,800
Total 1st year		**$ 5,575,300**	**$ 1,738,094**	**$ 3,625,684**

Washington State
Liquor and Cannabis Board

Information Brief

Topic:	**Third Party Sample Collection Program**
Date:	February 8, 2021
Drafted by:	Kendra Hodgson

☒ Information Only ☐ Decision Needed

Problem or Opportunity

Statements have been made that the current marijuana test requirements are inherently flawed as a result of sample collection inconsistencies and lack of oversight. It has been proposed during Quality Control rule making comment period that WSLCB alter the test sample collection requirements and implement third party test sample collection.

The suggestions presented to the agency include:

Create a new license type for test sample collectors

WSDA runs a sample collection program

WSLCB runs a sample collection program

Labs are required to collect the sample rather that could collect as under current rule (option not presented in public comment)

These options were reviewed by WSLCB staff early in the QC rule development and it was determined that any third party sample programs increases cost to licensees to an extent that was not feasible to implement. Some of these calculations were completed as part of a cost benefit analysis that did not fall within the scope of the Small business Economic Impact Statement.

The information presented in this document will not address each of the three options but will share detail on current regulation and estimated minimum costs that would be associated with state run sample collection programs.

Background

WSLCB

RCW 69.50.348 outlines the authority and requirement for representative samples to be submitted for testing. The language states specifically:

(1) On a schedule determined by the state liquor and cannabis board, every licensed marijuana producer and processor must submit representative samples of marijuana,

useable marijuana, or marijuana-infused products produced or processed by the licensee to an independent, third-party testing laboratory meeting the accreditation requirements established by the state liquor and cannabis board, for inspection and testing to certify compliance with quality assurance and product standards adopted by the state liquor and cannabis board under RCW 69.50.342. Any sample remaining after testing shall be destroyed by the laboratory or returned to the licensee submitting the sample.

Under this authority WAC 314-55-101 outlines who may collect test samples and the manner in which the sample must be collected in order to be representative and establishes the minimum sample size necessary to represent a 5 lb. lot. 4 sub-samples at no less than 1 gram each totaling a 4 gram sample.

Under current rule producers, processors or certified labs may collect the test sample and transport the sample(s) to the certified marijuana testing lab.

In surveying the certified labs they are aware they could offer test sample collection as a service, but to date when asked the labs have stated they are not collecting samples (rare exceptions by the labs were mentioned). There is one lab (Testing Technologies) who lists this as a service they provide.

In essence currently test sample collection is being done by producer/processors staff and they are transporting their samples to the certified lab of their choice for the required tests. This is taking place via license staff or by transporter license holders.

WSDA Hemp Production Pre-Harvest Protocol

Under RCW 15.140.030 the Washington State Department of Agriculture (WSDA) was given the authority to develop the agricultural hemp program in Washington State.

Additional sections of RCW 16.306 set forth the authority for WSDA to establish hemp sampling and testing requirements.

The WSDA hemp program is substantially different in part because of the federal guidelines in play for a commodity that is legal at a federal level.

The WSDA hemp testing program:

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    - Note from WSDA: We do a full cannabinoid profile (because if people fail they want to know where their genetics went wrong.) – but THC numbers are the only thing WE need for compliance. We do also offer heavy metal/pest testing for folks that want it.

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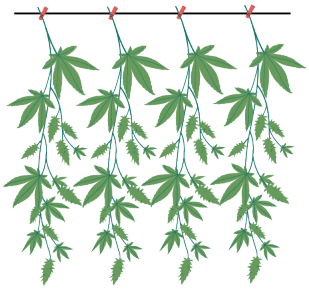
EXHIBIT F

Washington State
Liquor and Cannabis Board

Current Product Testing Requirements

1. Cannabis plant grows
(indoor/outdoor/greenhouse)

2. Cannabis is cut down at harvest

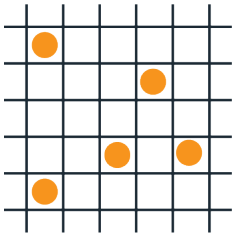


3. Plant is dried

4. Plant is trimmed for bud
(parts of plant that will be prepared for retail)

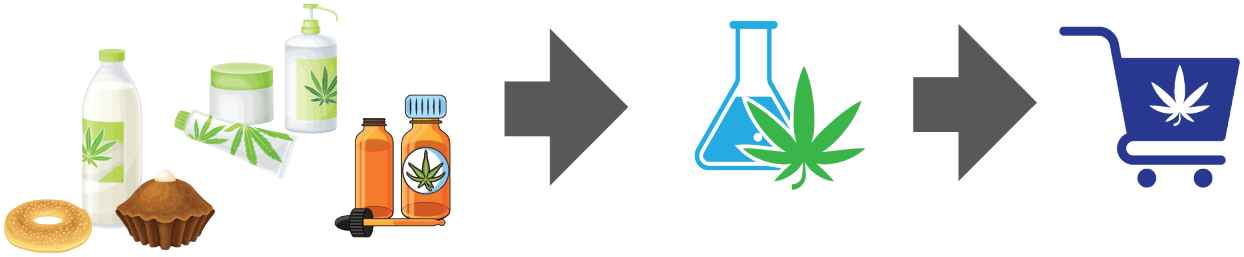
5. Homogenized product is tested (5 lb lots) by third party labs
(80 percent of cannabis only requires testing at this stage because of product type) for the established suite of tests (microbial, mycotoxins, moisture, potency, etc.)

a. Flower
b. Mix
c. Concentrate



6. If passed, the product goes to Retail

7. If after step 5 (with passing tests results) product is created into new form, it is tested again for potency:
(concentrate, edible cookie, topical, infused)



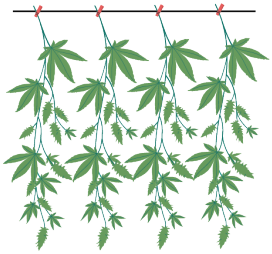
This is the simplest testing path.
There are conditions and products that would require additional rounds of “intermediate testing” as reflected at step 5

Washington State
Liquor and Cannabis Board

Proposed: Adding Pesticides and Heavy Metals

1. Cannabis plant grows
(indoor/outdoor/greenhouse)

2. Cannabis is cut down at harvest

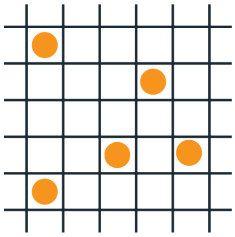


3. Plant is dried

4. Plant is trimmed for bud
(parts of plant that will be prepared for retail)

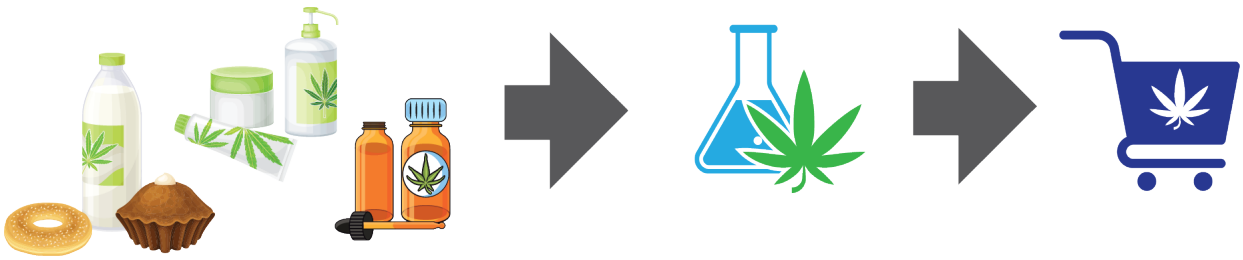
5. Homogenized product is tested (10 lb lots) by third party labs
(80 percent of cannabis only requires testing at this stage because of product type) for the established suite of tests (microbial, mycotoxins, moisture, potency, etc.)

a. Flower
b. Mix
c. Concentrate
d. Adding Pesticides
e. Adding Heavy Metals



6. If passed, the product goes to Retail

7. If after step 5 (with passing tests results) product is created into new form (infused solid edible i.e. cookie) , it is tested again for potency only.



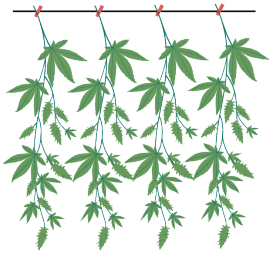
This is the simplest testing path.
There are conditions and products that would require additional rounds of “intermediate testing” as reflected at step 5

Washington State
Liquor and Cannabis Board

Public Comment Proposal: End-Product Testing

1. **Cannabis plant grows** (indoor/outdoor/greenhouse)

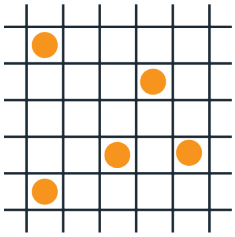
2. **Cannabis is cut down at harvest**



3. **Plant is dried**

4. **Plant is trimmed for bud** (parts of plant that will be prepared for retail)

5. **All Homogenized product (flower, mix, concentrate, edible, infused, topical) is tested** for the established suite of tests (microbial, mycotoxins, moisture, potency, etc.)
   a **Adding Pesticides**
   b. **Adding Heavy Metals**



6. **If passed, the product goes to Retail**

7. **If fails the product may not continue to retail. Source batch destroyed. It is possible that non cannabis containments may also cause the product to fail.**

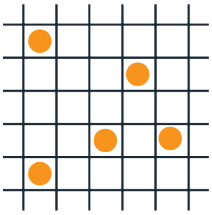
Washington State
Liquor and Cannabis Board

Public Comment Proposal: Harvest Testing

1. **Cannabis plant grows**
(indoor/outdoor/greenhouse)

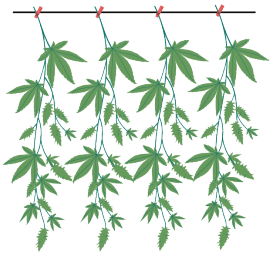
2. **Cannabis is cut down at harvest**

3 **Harvest level product is tested (10 lb. lots) by third party labs for the established suite of tests**
(microbial, mycotoxins, moisture, potency, etc.)
a Adding Pesticides
b. Adding Heavy Metals



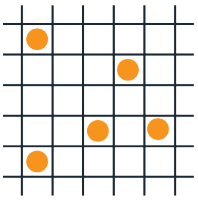
4. **If passed the plant may continue to be processed (If fails destroyed).**

5. **Plant is dried**



6. **Plant is trimmed for bud**
(parts of plant that will be prepared for retail)

7. **Likely will need another potency test for label accuracy after dried.**



8. **When potency received it goes to retail**

Washington State
Liquor and Cannabis Board

Costs:Sampling Collection

Current

1 – 4 gram samples per 5 lbs. =

- 4 X1 gram**s** for (micro/myco/residual solvents/moisture)

Plants - Harvest - Dry - Trim

1	**2**
3	**4**

= 4 grams

Proposed

2 – 8 gram samples = 16 grams **per 10 lbs.**

- 8 X1 grams for (micro/myco/residual solvents/moisture)
- 8 X1 grams for pesticides/heavy metals

Plants – harvest – dry - trim

Cannabis Lot for Testing (8 squares sampled twice)			
1	**2**	**3**	**4**
5	**6**	**7**	**8**

= 16 grams

Washington State
Liquor and Cannabis Board

Costs: Sampling Collection
Math of Costs (Example)

Current
100 lbs. of product = 20 test lots (5 lb. lots)

- 20 x Cost of Testing

Proposed Example
100 lbs. of product = 10 test lots (10 lb. lots)

- 10 x Cost of Testing

Small grows

Current
5 lbs of product
= 1 test lot (less than or equal 5 lb lots)

- 1x cost of testing

Proposed
5 lbs of product
= 1 test lots (less than or equal to 10 lb lot)

- 1 x Cost of testing

This example shows scale:

- That the smallest grows with small sample sizes (less than 10 lbs.) will not realize a savings for 10 lb. lots but will already have costs savings based on amount produced
- Large grows, 1,000 lbs. = 200 test lots (current at 5 lbs.) or 100 test lots (proposed 10 lb. lots)
- Smaller grows = 100 lbs. = 20 test lots (current at 5 lbs.) or 10 test lots (proposed 10 lb. lots)

Cost scales to the size of the productions

- Larger grows pay more to test as a function of more production / lbs. of cannabis
- Smaller grows pay less to test as a function of having less product to test

Current Model

1 – 4 gram samples per 5 lbs =

- 4 X1 grams for
  (micro/myco/residual solvents/moisture)

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Proposed Model

2 – 8 gram samples =16 grams per 10 lbs.

- 8 X – 1 grams for
  (micro/myco/residual solvents/moisture)
- 8 X– 1 grams for
  (pesticides/heavy metals)

Plants – harvest – dry - trim

Cannabis Lot for Testing (8 squares sampled twice)			
1	2	3	4
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= 16 grams

EXHIBIT G

From: Poolman, Nicholas (LCB)
Sent: Friday, March 5, 2021 10:45 AM
To: Hoffman, Katherine (LCB)
Cc: Hodgson, Kendra (LCB)
Subject: Lists of Risks
Attachments: Analyte Risks.xlsx

Follow Up Flag: Follow up
Flag Status: Flagged

Hello,

I have created the attached excel sheet with hyperlinks to different resources regarding the risks of the different analytes in our chapter, in response to the question regarding the 'Failure Rate Data' write-up.

Does this meet the needs of the stakeholder request?

Best,

Nicholas Poolman
Senior Chemist
360-584-8047
nicholas.poolman@lcb.wa.gov
Washington State
Liquor and Cannabis Board

SOLVENTS

#	Source	Solvent	Type
1	A	Acetone	Safety
2	B	Benzene	Safety
3	C	Butanes	Safety
4	D	Cyclohexane	Safety
5	E	Chloroform	Safety
6	F	Dichloromethane	Safety
7	G	Ethyl acetate	Safety
8	H	Heptanes	Safety
9	I	Hexanes	Safety
10	J	Isopropanol	Safety
11	K	Methanol	Safety
12	L	Pentanes	Safety
13	M	Propane	Safety
14	N	Toluene	Safety
15	O	Xylene	Safety

MICROBIALS

#	Source	Microbes	Type
1	A	E. Coli	Safety
2	B	E. Coli	Safety
3	C	E. Coli	Testing
4	D	Salmonella	Safety
5	E	Salmonella	Safety
6	F	Salmonella	Safety
7	G	Salmonella	Testing
8	F	BTGN Bacteria	Safety
9	G	BTGN Bacteria	Safety
10	H	BTGN Bacteria	Testing

MYCOTOXINS

1	A	Aflatoxins	Safety	Acute toxicity
2	B	Aflatoxins	Safety	Chronic toxicity
3	C	Aflatoxins	Safety	Genotoxic
4	D	Aflatoxins	Safety	Carcinogenic
5	E	Aflatoxins	Safety	Embryotoxic
6	F	Ochratoxin A	Safety	Carcinogenic
7	G	Ochratoxin A	Safety	Neurotoxic
8	H	Ochratoxin A	Safety	Toxilogical
9	I	Afla & Ochra	Testing	Wadsworth Method

METALS

#	Source	Metal	Type	Notes
1	A	Cd, Pb	Remediation	hemp can accumulate significant amounts of heavy metals in its tissues due to its high biomass and deep roots.
2	B	Cd, Pb	Remediation	There are certain characteristics of hemp, which make it very suitable for phytoremediation such as high biomass, long roots and a short life cycle of 180 days. In addition, hemp has a very high capability to absorb and accumulate heavy metals like lead, nickel, cadmium, zinc and chromium
3	C	Pb	Safety	WHO has identified lead as 1 of 10 chemicals of major public health concern, needing action by Member States to protect the health of workers, children and women of reproductive age. There is no level of exposure to lead that is known to be without harmful effects.
4	D	Pb	Safety	Lead was and still is an environmental factor that increases neurologic and psychiatric morbidity. It also causes developmental disorders, especially in deprived areas. Prevention should be the single most important way of dealing with lead poisoning.
5	E	Cd, Pb	Cannabinoids	In summary, hemp increased total CBD content under high heavy metal conditions and was a result of enhancement of CBDAS and OAC gene expression.

6	F	Cd	Safety	Cadmium and its compounds are highly toxic and exposure to this metal is known to cause cancer and targets the body's cardiovascular, renal, gastrointestinal, neurological, reproductive, and respiratory systems.
7	G	Cd	Safety	With increasing evidence of its toxicity, both national and international agencies have sought to regulate cadmium exposure.
8	H	Pb	Safety	Lead Poisoning Due to Adulterated Marijuana in Leipzig
9	I	As, Cd, Hg, Pb	Safety	A number of studies provide convincing evidence that cannabis is an active accumulator of heavy metals such as lead, cadmium, arsenic, mercury, magnesium, copper, chromium, nickel, manganese, and cobalt (13, 14, 15)
10	J	As, Cd, Hg, Pb	Testing	Wadsworth Method

Cannabis Testing Failure Rate Data

Executive Summary: Best practice across agricultural commodities supports that one of the direct ways to maintain a level of consumer protection and confidence is to require product testing and removal/recall of potentially unsafe products (agriculture examples: E.coli/lettuce, cucumbers/salmonella). Reduction of the amount or reliability of testing leads directly to a decrease in consumer health, safety, and confidence.

Testing failure data for required marijuana testing is shown for each individual analyte on the next page. The table shows the prevalence of failures and the potential risks associated with each failure. The appearance of contaminants and the resulting test failures has stayed relatively flat over the last few years.

Analysis: The LCB rules for testing have been and may always be controversial because of the cost and possibility for reputational impact on licensees. The Washington State I-502 market has had the same testing regimen for the last three years (last changed August 2017); this data is shown on the following page.

Without testing, harmful products would be available on store shelves for consumers to buy. Stakeholders have theorized that after years of testing, the industry would become more compliant and thus less testing would be necessary. However, this theory has not been borne out, as the data on page two shows. Only a few analytes have had a decrease in the number of failures per month – none of which has had meaningful or sustained improvement in their fail rates.

For example, one of the more dangerous analytes tested for in the current system is Ochratoxin A (mycotoxin). This toxin is produced as a byproduct of certain fungi. Ochratoxin A not only has the ability to cause acute (immediate) poisoning by inflicting severe kidney and liver damage, but also is known to be carcinogenic (cancer causing) and mutagenic (mutates DNA) in humans. The data on page two shows that 99 samples failed for Ochratoxin A. This may not seem like very many samples out of the nearly 330,000 samples tested for mycotoxins within our system, however let us frame the significance of this issue in another way:

Each one of the 99 sample failures was likely taken from a five-pound lot of marijuana. If it is assumed that every customer buys the maximum carrying capacity of one ounce, and there are 16 ounces in a pound, the failure individual sample, stopped 80 individuals from exposure to a dangerous mycotoxin. With those same assumptions, the I-502 testing has conservatively stopped 7,920 individuals from dangerous exposure (80 people x 99 failures.)

The table below shows failures for each field of testing over the first 19 months of LEAF data and the total 35 months of LEAF data available. The "no completion" notation shows that not all test results were marked as complete.

No Completion Total	19 MONTHS	35 MONTHS	Fails per 10,000 Tests	Risks
foreign_matter_seeds	138	161	4.88	
foreign_matter_stems	96	228	6.91	
MICROBIALS	-	-	**199.33**	-
microbial_total_viable_aerobic	Removed	Aug. 2017		
microbial_total_yeast_and_mold	Removed	Aug. 2017		
microbial_total_coliforms	Removed	Aug. 2017		
microbial_bile_tolerant_cfu_g	3096	6281	190.33	A
microbial_pathogenic_e_coli_cfu_g	35	83	2.52	A
microbial_salmonella_cfu_g	94	214	6.48	A
MOISTURE	-	-	**34.45**	-
moisture_content_percent	188	437	13.24	
moisture_content_water_activity_rate[1]	308	700	21.21	
MYCOTOXINS	-	-	**6.03**	-
mycotoxin_aflatoxins_ppb[1]	47	100	3.03	A, C
mycotoxin_ochratoxin_ppb[1]	47	99	3.00	A, C, M
SOLVENTS	-	-	**26.94**	-
solvent_acetone_ppm	2	7	0.21	A, F
solvent_benzene_ppm	59	104	3.15	A, C, F
solvent_butanes_ppm	204	448	13.58	A, F
solvent_chloroform_ppm	41	168	5.09	A, C, F
solvent_cyclohexane_ppm	0	0	0.00	A, F
solvent_dichloromethane_ppm	0	1	0.03	A, C, F
solvent_ethyl_acetate_ppm	3	4	0.12	A, F
solvent_heptane_ppm	1	10	0.30	A, F
solvent_hexanes_ppm	9	19	0.58	A, F
solvent_isopropanol_ppm	52	100	3.03	A, F
solvent_methanol_ppm	10	14	0.42	A, F
solvent_pentanes_ppm	1	2	0.06	A, F
solvent_propane_ppm	4	8	0.24	A, F
solvent_toluene_ppm	1	3	0.09	A, F
solvent_xylene_ppm	1	1	0.03	A, F

Figure 1: LEAF Sample Failures (A=Acute Poisoning, C=Cancer Forming, F=Flammable, M=DNA Harming)

[1] Added in lieu of fields removed during the August 2017 rules change

EXHIBIT H

Washington State Department of Agriculture

Hemp Production Pre-harvest Sampling Protocol

This document is based on language from USDA's interim final rule establishing a U.S. Domestic Hemp Production Program, with adjustments to align to Washington State's RCW 34.05.353.

Email: hemp@agr.wa.gov

Visit agr.wa.gov and click on **Hemp Info** in the "What do you need today?" box.

AGR PUB 501-810 (N/12/19)

Purpose

1. Standard sampling guidelines are specified for field and greenhouse sampling of hemp.

2. Samples are taken to obtain specimens for the measurement of tetrahydrocannabinol (THC) content, which determine whether the specimens are hemp or marijuana. The measurements are intended to be representative of the THC content in a "lot" of hemp crop acreage as identified by the producer. Hemp producers may not harvest hemp prior to the hemp being sampled and tested for THC concentration. Testing procedures are provided in a separate document.

Scope

1. Samples collected under this procedure are acceptable for submission to a qualified, DEA-registered laboratory for determination of THC in hemp.

2. Since the THC content of hemp generally peaks as the plant ripens, the timing of when sampling occurs is important to accurately measure THC concentration and monitor compliance with the WSDA hemp production program.

3. Samples must be collected by a WSDA inspector. It is the responsibility of the licensed producer to pay any fees associated with sampling.

Summary of Practice

1. This practice provides procedures for entering a growing area and collecting the minimum number of plant specimens necessary to represent a homogeneous composition of the "lot" that is to be sampled. An authorized representative enters a growing area, strategically examines the growing area, establishes an approach for navigating the growing area, and collects individual specimens of plants in order to obtain a representative sample of hemp in the designated lot.

2. Cuttings from each "lot" of hemp crop acreage, as identified by the producer, shall be organized as composite samples. For the purposes of these procedures, a "lot" is a contiguous area in a field, greenhouse, or indoor growing structure containing the same variety or strain of cannabis throughout. In addition, "lot" refers to the batch of contiguous, homogeneous whole of a product being sold to a single buyer at a single time. "Lot" is to be defined by the producer in terms of farm location or field acreage.

Equipment and Supplies

1. Garden pruners/shears (Cleaned prior to and following each composite sample. Some examples of appropriate cleaning agents and supplies to use on garden pruners/shears are bleach, rubbing alcohol, steel wool, and/or sandpaper.)

2. Sample bags, paper.
    2.1. The size of the bags will depend upon the number of clippings collected per lot.
    2.2. The bags should be made from material known to be free from THC.
3. Security tape
4. Permanent markers
5. Sample collection forms
6. GPS Unit
7. Disposable gloves – Nitrile

Sampling Guidelines

1. The licensee or designated employee shall accompany the inspector throughout the sampling process.
2. Surveillance of the growing area
    2.1. The inspector shall verify the GPS coordinates of the growing area as compared with the GPS coordinates submitted by the licensee to WSDA.
    2.2. The inspector shall estimate the average height, appearance, approximate density, condition of the plants, and degree of maturity of the flowering material, meaning inflorescences (flowers/buds).
    2.3. The inspector shall visually establish the homogeneity of the stand to establish that the growing area is of like variety.
3. Time of Sampling
    3.1. Within 15 days prior to the anticipated harvest of cannabis plants, a WSDA inspector shall collect representative samples from such cannabis plants for THC concentration level testing.
4. Field Sampling
    4.1. For purposes of determining the number of individual plants to select for sampling, the size of the growing area shall be considered. For sampling purposes, samples from separate "lots" must be kept separate and not be comingled.
    4.2. For lots of less than one acre, including greenhouses, select a minimum of 1 plant, then take a cutting from the plant to form a sample. For lots of 2 to 10 acres, including greenhouses, select a minimum of one plant per acre, then take cuttings of each plant, then combine to form a composite sample.
    4.3. For growing areas larger than ten (10) acres, including greenhouses, the number of plants that will be selected to form a composite sample is based upon the Codex Alimentarius Recommended Methods of Sampling for the Determination of Pesticide Residues for Compliance with MRLS CAC/GL 33-1999.
        4.3.1. The sample size is estimated in a two-step process. The first step is to estimate the number of primary plants to be sampled. The second step is to adjust the estimate of primary plants by the acreage under cultivation.

4.3.2. The initial number of primary plants is estimated using

$$n_0 = \frac{\ln(1-p)}{\ln(1-\mathrm{i})}$$

where p is the confidence level to detect hemp plants having THC content greater than the acceptable hemp THC level and i is the proportion of hemp plants having THC content greater than the acceptable hemp THC level. The values for i are based on past experience in the same or similar growing areas.

4.3.3. The initial primary plants estimate is adjusted by the number of acres to calculate the minimum number of primary plants for composting as follows:

$$n = \frac{n_0}{1 + \frac{(n_{0-1})}{N}}$$

where n is the minimum number of primary plants to be selected for forming a composite sample, n_o is the initial number of primary plants, and N is the number of acres under cultivation.

4.3.4. Example 1 : The initial primary plant sample size is 299 with a confidence level of 95% to detect hemp plants having THC content greater than the acceptable hemp THC level and a proportion of hemp plants having THC content of greater than the acceptable hemp THC level equal to 0.01 is considered appropriate. The adjusted primary plant sample sizes for fields from 11 to 173 acres in size are shown in the following table:

Number of acres	Sample Size "n"	Number of acres	Sample Size "n"	Number of acres	Sample Size "n"	Number of acres	Sample Size "n"
11	11	40	36	75-76	61	119-120	86
12	12	41-42	37	77	62	121-122	87
13	13	43	38	78-79	63	123-124	88
14	14	44	39	80-81	64	125-126	89
15	15	45-46	40	82	65	127-128	90
16	16	47	41	83-84	66	129-130	91
17	17	48	42	85-86	67	131-132	92
18-19	18	49-50	43	87	68	133-134	93
20	19	51	44	88-89	69	135-136	94
21	20	52	45	90-91	70	137-138	95
22	21	53-54	46	92	71	139-140	96
23	22	55	47	93-94	72	141-143	97
24	23	56	48	95-96	73	144-145	98
25-26	24	57-58	49	97-98	74	146-147	99
27	25	59	50	99	75	148-149	100
28	26	60-61	51	100-101	76	150-152	101
29	27	62	52	102-103	77	153-154	102
30	28	63-64	53	104-105	78	155-156	103
31-32	29	65	54	106-107	79	157-158	104
33	30	66-67	55	108	80	159-161	105
34	31	68	56	109-110	81	162-163	106
35	32	69-70	57	111-112	82	164-166	107
36	33	71	58	113-114	83	167-168	108
37-38	34	72-73	59	115-116	84	169-170	109
39	35	74	60	117-118	85	171-173	110

Example 2: The adjusted primary plant sample sizes for fields from less than 1 to 10 acres in size are shown in the table to the right:

Number of acres "N"	Sample Size "n"
Less than 1	1
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10

5. Collecting Samples from each lot

   5.1. Inspectors shall always walk at right angles to the rows of plants, beginning at one point of the lot and walking towards another point on the opposite side of the lot.

   5.2. While walking through the growing area, the inspector shall cut at least "n" flowering material, meaning inflorescences (the flower or bud of a plant) at random but convenient distances. Avoid collecting too many specimens from the borders of the field/greenhouse.

   5.3. The cut shall be made just underneath a flowering material, meaning inflorescence (the flower or bud of a plant), located at the top one-third {1/3) of the plant. (See figure below.) The sample size must be of adequate volume to accommodate laboratory tests.

   5.4. Utilize a paper sample bag for collecting sample cuttings. Ensure that each bag has the minimum number of cuttings, n, as calculated by 4.3.3, or in the Example Tables 1 and 2.

   5.5. Seal each bag and record the sample number.

6. Sample identification

   6.1. The inspector shall seal each bag and record the sample identification number. The sample shall also be identified with the following information:

   (1) The sample ID shall include: Inspector contact information; name and contact information of the producer; producer hemp license or authorization number; date of sample; and "lot" ID as provided by the USDA Farm Service Agency; any other information that may be required by States, Tribes, Law Enforcement Authorities, mail delivery services, customers or groups of customers.

EXHIBIT I

End-Intermediate Testing Product Discussion
MJ Examiner
2021/01/21

Summary: About 75% of all marijuana products sold within the Washington State I-502 market required one round of testing[1]. The remaining 25% require sampling and testing more than once - including the additional potency test required for items meeting the definition of "end product."

Analysis:

WAC 314-55-102 outlines the testing requirements. The current test categories include:

- Potency
- Microbiological
- Mycotoxin
- Residual solvents
- Moisture
- Foreign matter

For most products, testing is done (with no additional testing required) at the flower or intermediate stage. End products require a potency test in addition to any previous flower or intermediate stage testing. Potency tests do not "fail", however the maximum concentration of THC allowed for edible products is 10 milligrams per unit. An important distinction in state rule says:

[2] *"(2)(e): End products consisting of only one intermediate product that has not been changed in any way are not subject to potency analysis."*

As shown below in *Figure 1: 2019 Sales by Category,* up to 89% of sales within the I-502 marketplace qualify for testing only at the flower and intermediate stage, as section (2)(e) describes.

[1] These estimates were created using information regarding overall sales by product types and the testing requirements associated.
[2] WAC 314-55-102 2(e)

End-Intermediate Testing Product Discussion
MJ Examiner
2021/01/21

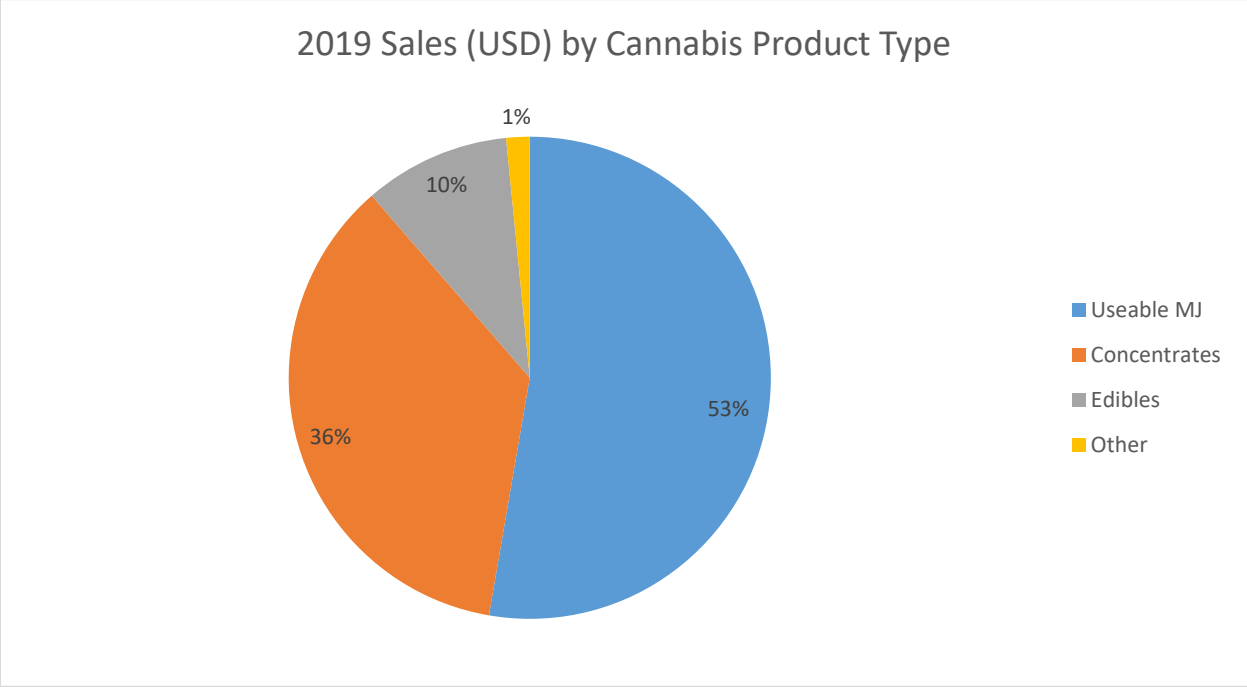

Figure 1: 2019 Sales by Category (Source: Leaf data)

Useable marijuana is defined in RCW 69.50.101 (ww) *as: "means dried marijuana flowers. The term "useable marijuana" does not include either marijuana-infused products or marijuana concentrates."*

Given this definition and the information in Table 1: Lab Testing Data by Flower, only 2,927 of 146,887 tests completed at the time of the data set (December 2019) would have had testing beyond intermediate testing, i.e. end product testing. The 2,927 tests are "marijuana mix" samples, as shown in the row 3, from Table 1 below. By removing the "marijuana mix" line item, 52% out of the 53% "useable marijuana" required only flower or intermediate testing (Useable Marijuana in Figure 1: 2019 Sales by Category).

Product Type	Total	One Test Proportion
flower	2662	100%
flower_lots	139650	100%
marijuana_mix	2927	0%
other_material	271	100%
other_material_lots	825	100%
usable_marijuana	552	100%

Table 1: Lab Testing Data by Flower (Source: Leaf data)

The 36% 'concentrates' category is harder to quantify because it requires analysis of more than one variable. Therefore a definitive number is not provided in this analysis. Using available information, an estimated range is provided below in Table 2 showing a diverse set of product

types and quantities. Each category has unique attributes and characteristics, which is one of the many reasons why giving a concrete number for the overall category is difficult. Given the information available, it's estimated that between 50% to 75% of concentrates are not tested past the required intermediate suite and are sold "as is". These relate to 18-27% of the total amount of sales referenced in Figure 1.

Product Type	Total	One Test Proportion
co2_concentrate	6737	90%
concentrate_for_inhalation	3684	90%
ethanol_concentrate	3564	50%
food_grade_solvent_concentrate	3782	10%
hydrocarbon_concentrate	30107	90%
infused_cooking_medium	186	10%
infused_mix	5718	10%
non-solvent_based_concentrate	2479	90%

Table 2: Lab Testing Data by Concentrate

In conclusion, it is estimated 70% – 80% of sales are of products that have only undergone one round of testing. This is based on both the above analyses and because it is fair to assume that the remaining 10% 'edibles' and 1% 'other' categories have been tested at both intermediate and end testing stages.

EXHIBIT J

WEBVTT

1
00:00:01.169 --> 00:00:12.628
All right, so good afternoon. This is the follow up to the accredited lab delivered a dialog session that was held on February 11th of this year.

2
00:00:12.628 --> 00:00:17.908
We got through a question 5 that you see on your screen right now.

3
00:00:17.908 --> 00:00:21.449
But because these last 3 questions.

4
00:00:21.449 --> 00:00:26.100
Were really important and we wanted to make sure that we answered them.

5
00:00:26.100 --> 00:00:29.309
In a meaningful way.

6
00:00:29.309 --> 00:00:34.859
Were reconvening today for an hour and a half to address these questions.

7
00:00:34.859 --> 00:00:38.250
So, on the call today, we have amber wise.

8
00:00:38.250 --> 00:00:44.280
James burns Jeff gowdy and Kenya. Tanya.

9
00:00:44.280 --> 00:00:53.250
And when we did the delivered of dialogue before, I think I called on people to make sure that everybody got enough air time.

10
00:00:53.250 --> 00:01:05.310
Since this is a little less formal, why I just, I will read the 1st question and then you can just begin discussion amongst yourselves. I don't want to restrain the conversation.

11
00:01:05.310 --> 00:01:08.310
Really hope that, that it can be spontaneous and.

12
00:01:08.310 --> 00:01:19.980
You can each sort of follow off of each other, ask each other questions kind of build out the conversation a little bit and I'll jump in here and there, but.

13
00:01:19.980 --> 00:01:25.799
Really this is your conversation so questions before we get started.

14
00:01:28.709 --> 00:01:33.930
Okay, sorry you guys are over here on the screen and I know my camera is right here.

15
00:01:33.930 --> 00:01:41.489
All right all right so with that, let's go ahead and jump in with well, before we start.

16
00:01:41.489 --> 00:01:46.890
Any reflections on the the.

17
00:01:46.890 --> 00:01:53.549
All the deliberative dialogue went for your panel on 11, anything you want to share.

18
00:01:53.549 --> 00:01:57.750
Before we start this conversation.

19
00:01:59.340 --> 00:02:12.569
Not really well, I mean, I thought it went fine, had pretty good attendance, uh, which isn't unexpected, given the, you know, the hot button topics that we're on.

20
00:02:14.094 --> 00:02:28.344
But, yeah, I think it's good to have a venue where, as Labs we can talk about this stuff and not be drowned out by licenses where there's just they they outnumber us so to speak.

21
00:02:29.514 --> 00:02:33.594
So, it's good to have our own venue where we can voice our concerns.

22
00:02:34.080 --> 00:02:37.800
All right thanks, Jeff. Anyone else.

23
00:02:37.800 --> 00:02:45.569
All right, well, with that, we'll just go ahead and get started with.

24
00:02:45.569 --> 00:02:54.689
Question 6. all right well, not question was what can we do as Labs.

25
00:02:54.689 --> 00:02:59.219
To increase public regulator confidence.

26
00:02:59.219 --> 00:03:05.370
And our results.

27
00:03:07.469 --> 00:03:20.819
Amber, you're smiling. I I mean, I have some thoughts, I didn't want to just jump in immediately, but, um, I think.

28
00:03:20.819 --> 00:03:32.909
If there's a number of things, and it's a little hard. There's obviously not 1 easy answer. If it was 1 easy answer, we wouldn't be in this position. We're in right now.

29
00:03:32.909 --> 00:03:40.800
I think having the ability to confirm our results at an independent 3rd party lab.

30
00:03:40.800 --> 00:03:45.840
And I know that's what we are independent 3rd party Labs, but potentially a state run lab.

31
00:03:45.840 --> 00:03:56.009
Confirming some value that we have, the individual labs have also right? And number of different forms that could take, uh.

32
00:03:56.009 --> 00:03:59.219
Being able to, you know.

33
00:03:59.219 --> 00:04:08.159
Compare values between Labs and this is partly why we participated in proficiency tests.

34
00:04:08.159 --> 00:04:20.250
Uh, you know, those are good, you know, relatively good methods for, in that, you know, a sample that comes through our lab will be tested correctly. However, they're not blind.

35
00:04:20.250 --> 00:04:27.238
Right we know what proficiency tests are wrong and we know that what that sample is. And so we.

36
00:04:27.238 --> 00:04:37.649
It's not a true blind comparison so I don't, I don't know, I think there's a, there's a handful of ways that some sort of confirmation.

37
00:04:37.649 --> 00:04:48.329
Could be done, or, you know, having some requirement that a certain amount of tests get run through another lab.

38

00:04:48.329 --> 00:04:55.439
That is partly funded by the state to some degree. I mean, I just saw a study last week.

39
00:04:55.439 --> 00:05:04.619
Last week that it's a 1.3M dollars of cannabis tax money, go to the Department of egg for, for testing cannabis.

40
00:05:04.619 --> 00:05:09.629
So, there's, there's a pot of money there, or that could potentially be.

41
00:05:09.629 --> 00:05:14.399
Utilized for her compromise to our ability.

42
00:05:14.399 --> 00:05:18.088
I'm going to leave it there and see if anybody else has a comment and.

43
00:05:18.088 --> 00:05:23.369
See, if there's anything else I want to add, thank you.

44
00:05:26.728 --> 00:05:30.658
I mean, I'll just jump in and say that, you know.

45
00:05:30.658 --> 00:05:34.228
I mean, I agree with amber that having.

46
00:05:34.228 --> 00:05:37.649
Some sort of a, you know, outside.

47
00:05:37.649 --> 00:05:49.408
Another lab kind of, you know, checking out every result, but just having comparatives at times, I think, 1 way aside from having, like, a department of AG or somebody do it.

48
00:05:49.408 --> 00:05:53.488
If we were as Labs allowed to collaborate.

49
00:05:54.293 --> 00:06:03.353
On samples, I think would also be helpful. So we could sort of which we've been denied directly than once.

50
00:06:04.314 --> 00:06:11.454
But, you know, I think that ability would help us have more more confidence in our methods and we could kind of.

51
00:06:11.788 --> 00:06:15.538

Have, you know, probably working together, we could improve.

52
00:06:15.538 --> 00:06:21.718
You know how we do things, but I'm not sure how much.

53
00:06:21.718 --> 00:06:35.903
Help public confidence, though I'm just going to make 1 little comment here that I'll yield the floor to me. The way I see it the way.

54
00:06:35.934 --> 00:06:41.814
The way I think the public sees us is that we're just 1 lab and this 1 lab test.

55
00:06:41.814 --> 00:06:55.613
Every bit of cannabis in the United States, and so if a lab and California gets closed down for something, it's almost to where I'm guilty and it just gets spread. So that's probably a black box.

56
00:06:56.064 --> 00:07:05.934
And I kind of also see that just my informal conversations with friends, but acquaintances, they have no, most of them have no idea about lab testing at all.

57
00:07:06.053 --> 00:07:14.363
Right now they'll know what we test why we test it and all they know is right? Because that's the only thing on the label. They don't know about the other stuff.

58
00:07:15.053 --> 00:07:21.684
And I think there's a lack of understanding on the public side of what we do and all they see.

59
00:07:22.439 --> 00:07:37.079
And there's never any follow up right? It's like, oh, this lab shut down. Well, what happened was really fabulous. Like, nobody ever pays attention. We never may never even know. So, anyway, I think I'll stop there for now.

60
00:07:38.788 --> 00:07:43.829
Yeah, and so I think what I'll add is.

61
00:07:43.829 --> 00:07:45.324
Some of the steps are being made,

62
00:07:45.324 --> 00:07:46.194
I think some,

63
00:07:46.884 --> 00:07:53.543
some oversight moving the patient and laboratories out of the LCD department ecology,

64
00:07:53.694 --> 00:07:54.803
who has experience,

65
00:07:54.803 --> 00:07:56.814
I think is a really good 1st step,

66
00:07:57.293 --> 00:08:03.293
and all of the groups are giving best practices and discussing what some of the best.

67
00:08:03.598 --> 00:08:11.574
Practices for these methods are, and as Labs, we could probably have better communication amongst ourselves to go back to.

68
00:08:11.843 --> 00:08:20.093
What was that was James that said an amber to work with each other and then I,

69
00:08:20.093 --> 00:08:24.084
so I know our left voluntarily got accreditation,

70
00:08:24.084 --> 00:08:25.884
because that's just another quality standard,

71
00:08:27.084 --> 00:08:28.103
especially because,

72
00:08:28.434 --> 00:08:28.944
like I said,

73
00:08:28.944 --> 00:08:43.193
we know the current lab accreditation is lacking and so to give some credibility to our results and quality we voluntarily went into that program and I know some other labs have as well just

74
00:08:43.764 --> 00:08:45.833
to reiterate educate the public.

75
00:08:46.553 --> 00:08:57.413
I've worked in other industries in the lab is scary. Science, black box to educate them. And how difficult is because just because the labs have different results, it's not necessarily nefarious.

76
00:08:57.923 --> 00:09:07.734

It's some complex testing and the product isn't necessarily genius all the time. That's kind of 2 cents on that topic.

77
00:09:10.134 --> 00:09:21.114
So to jump right on that heterogeneity side, and kind of what amber's talking about with confirmation in order to accomplish any kind of confirmation of samples.

78
00:09:22.043 --> 00:09:29.693
In my opinion, we would need some kind of 3rd party sampling in order to ensure that we're getting similar samples.

79
00:09:29.693 --> 00:09:37.073
I mean, that doesn't get rid of the concept of just natural variation, which within the plant, which is there.

80
00:09:38.964 --> 00:09:53.124
So, there's that and I actually have a prepared statement from all this and I'm sorry Kathy I'm not pulling any punches on this 1. so, what can we do is i5 0T to Labs to increase public confidence in our results as Labs?

81
00:09:53.124 --> 00:10:02.244
Compare comparatively, not much follow the regulations don't cut corners. Run your samples. Do your validations be honest?

82
00:10:02.244 --> 00:10:16.734
And don't come to the economic pressures of inflating can app annoyed concentrations, have those difficult conversations with our customers when problems such as failures or adult durations come up. A lot of this only works. If we're all doing it, though it's cliche.

83
00:10:16.734 --> 00:10:26.964
But we're only as strong as our weakest link. 1, other thing that I can think of that could increase confidence would be to publish papers and peer reviewed journals. I'm as guilty as anyone.

84
00:10:26.964 --> 00:10:40.193
If not publishing some pretty good data we've taken, but backing up our statements with cold, hard science, I think is important. It's hard to justify changes to a regulatory environment that impacts small businesses in such a drastic way.

85
00:10:40.193 --> 00:10:52.163
Even potentially putting small farmers out of business, without backing it up with science. I think a cannabis commission could also be helpful in that, though would need pretty broad support from the farmers who had actually paid for it.

86
00:10:52.163 --> 00:11:06.984
That said, I think that much of the lack of confidence comes from frustration with the system itself. I don't mean to pick on the folks who regulate me, but the traceability system is a mess and will continue to be a mess for the foreseeable future.

87

00:11:06.984 --> 00:11:08.153
We still.

88
00:11:08.759 --> 00:11:18.298
Acquiring testing for pesticides, which will continue to alienate many consumers as evidenced by the strong support for homegrown that is going on right now.

89
00:11:18.298 --> 00:11:21.563
Uh, not to mention the outrage coming from the medical community.

90
00:11:22.163 --> 00:11:36.024
We need better science on what is an appropriate level of biological testing or heavy metals testing enforcement at the lab level is lacking and the regulators themselves admit that they don't have the expertise to police the labs.

91
00:11:36.264 --> 00:11:41.634
I would argue that obtaining that expertise is an important step in regaining consumer confidence.

92
00:11:43.288 --> 00:11:47.249
That's that's my prepared little statement there.

93
00:11:47.249 --> 00:11:54.989
Thank you so I'll follow up on that to each other.

94
00:11:55.943 --> 00:12:10.433
Back to each other, you know, I like the idea of having, like, the idea of publishing. I think that's a great.

95
00:12:10.708 --> 00:12:14.879
Idea, um, 1 of the issues.

96
00:12:14.879 --> 00:12:18.359
Though, is that we're talking about.

97
00:12:19.043 --> 00:12:32.423
I think we've all sort of expressed words in my mouth, I think previously we've sort of expressed a lack of confidence in it and being able to verify the Q a samples I'll gentle that way.

98
00:12:33.653 --> 00:12:43.673
And so, if you, if you have sufficient that your data isn't good to start with, it's it's kinda hard to make overall conclusions about anything. So that's 1 problem. Right?

99
00:12:43.673 --> 00:12:54.474
So, we can certainly generate our own data more controlled, but looking at the actual traceability, I find it not very

useful.

100
00:12:54.749 --> 00:13:03.864
Um, to make any broad conclusions, but just kind of spin off a little bit. I think it'd be great.

101
00:13:03.864 --> 00:13:15.083
If the Labs could actually get together in a sort of semi, formal way meetings to kind of just discuss issues together and maybe collaboratively put papers out. Right?

102
00:13:15.083 --> 00:13:29.813
Because it'd be way better if there was more than 1 lab on there, and kind of get together. And I think that would be extremely helpful. And somehow we got to get this potency to stocky and other thing.

103
00:13:30.024 --> 00:13:38.214
Because that's really what every most people are going to become the next thing, especially as soon as a form loses a 1M dollars in crop.

104
00:13:38.634 --> 00:13:48.053
But I think kind of get this just deemphasizing potency because that's what leads back to a sample for the most part.

105
00:13:52.048 --> 00:14:00.958
Yeah, I guess I'd just like to echo what, Tanya and and everyone has been saying essentially was, is.

106
00:14:00.958 --> 00:14:06.688
Consumer education around a number of these issues. Deemphasizing potency.

107
00:14:06.688 --> 00:14:21.504
Be complicated, and, you know, not straightforward nature of testing itself. Um, and and also the, the task forces work in transitioning the accreditation to department of ecology.

108
00:14:21.504 --> 00:14:22.644
I hope will also.

109
00:14:22.918 --> 00:14:34.259
Help restore some credibility to the process in general, but again there's a couple of fundamental things that are outside our purview there, which is sampling methods and.

110
00:14:34.259 --> 00:14:39.509
Traceability that are kind of crucial to all of these conversations. So.

111
00:14:39.509 --> 00:14:47.369
Those will need to be straightened out, or that will continue to be in this realm for. I think quite well.

112
00:14:47.369 --> 00:14:58.019
Yeah, and I will touch base on that potency again because it is such a big thing and I know everyone says, oh, it's so much stronger than it was.

113
00:14:58.494 --> 00:15:10.823
30 years ago, my background and toxicology, they've done some studies where they show that. Yeah, it is more potent or higher content that people tend to kind of self titrate.

114
00:15:10.823 --> 00:15:19.403
So that the levels of lead for people, it's about the same and I kind of like in that to do you always go out by 3151 or ever clear?

115
00:15:19.403 --> 00:15:31.524
It's not all about the alcohol content and most people are drinking or consuming cannabiz to just get completely smash. Right?

116
00:15:31.764 --> 00:15:42.833
You want to get into a nice, relaxing, happy place and then you just sit back and relax. So, there's so many other factors that come into play for that experience.

117
00:15:42.864 --> 00:15:50.783
So, again, that just goes back to public education and messaging not just from producer processors.

118
00:15:54.234 --> 00:16:05.573
And then the kind of and my commentary on a positive note, I think Jeff brought up a lot of a lot of issues that are current issues, whether it's pesticide testing.

119
00:16:06.563 --> 00:16:15.624
The lack of the regulators don't have the background or experience. That is that's all changing.

120
00:16:15.653 --> 00:16:16.524
It's all in the works,

121
00:16:16.524 --> 00:16:19.073
and a lot of it's legislated so it doesn't happen overnight,

122
00:16:19.073 --> 00:16:19.163
but,

123
00:16:19.163 --> 00:16:19.344
you know,

124
00:16:19.734 --> 00:16:27.894
pesticide and heavy metal testing is coming down the road as mandatory and then going with the ecology and the task force,

125
00:16:27.953 --> 00:16:32.634
I think addresses most issues that Jeff brought up.

126
00:16:32.938 --> 00:16:37.859
Thank you for.

127
00:16:39.384 --> 00:16:45.714
Just to tack on to what Tanya is talking about there you know, I tend to agree for the most part.

128
00:16:45.744 --> 00:16:58.793
Um, but the enforcement side of things is completely out of the scope of the cannabis science task force and I feel like that's such a critical component of what we're doing here.

129
00:16:59.063 --> 00:17:01.913
You know, we can come up with all the regulations in the world.

130
00:17:02.423 --> 00:17:13.074
And if somebody decides not to follow them it, they don't matter, and it's really easy to not follow them if you want to, and to just cover your tracks.

131
00:17:13.824 --> 00:17:28.344
So, having it in the past, when we were having private meetings, the level, where, you know, before you guys hired Nick, my recommendation was to hire a pH.

132
00:17:28.344 --> 00:17:39.804
D, chemist, and I still would reiterate that recommendation because I don't think a bachelor's level chemist has the experience necessary to really do the type of auditing that you need.

133
00:17:40.673 --> 00:17:53.993
Similarly, on the traceability a argument, if you had a working traceability system, and you may have better access to the data that I do and you could potentially do this now.

134
00:17:54.023 --> 00:18:08.513
But you can look at statistical trends and you don't use that to shut it down. But you use that to guide a deeper delves into a Labs data. So you see something statistically weird.

135
00:18:08.513 --> 00:18:21.923

And that generates some red flags in the traceability system. And then you use that to start an audit of some, some background investigation type of a thing where we don't even know you're looking at us in.

136
00:18:22.679 --> 00:18:27.689
Also, you know, uh, like like amber said earlier, um.

137
00:18:27.689 --> 00:18:35.189
Having blind, I think, and I don't know how the heck you do that. Right but ideally, you know, you give.

138
00:18:35.189 --> 00:18:44.729
Um, you give the biggest producer processor in the state, and they bring it to us in the guise of their lab shopping.

139
00:18:44.729 --> 00:18:59.453
Uh, again, I don't know how you get them to not tell their preferred lab that hey, this is your P. T. and how how you make it actually blind for everybody but, you know, when we know that you're you're looking at us for a. we know.

140
00:18:59.453 --> 00:19:10.493
It's a, it's it's you're giving us the test at that point. So it's it's a lot easier to, you know, take your time with that sample. Make sure that. Everything's correct.

141
00:19:11.423 --> 00:19:22.013
Whereas if Northwest cannabis solutions is handing you a sample saying. Hey, I'm just testing out. Where where are you guys at? Potency wise?

142
00:19:22.259 --> 00:19:31.739
It's a little bit there's more pressure then right? Because now I can have 2000 samples in my door, uh, in a month.

143
00:19:31.739 --> 00:19:41.368
If I do well on this sample, right? Like, there's a lot more pressure on that. And so if you're incorporating that pressure in, then with your.

144
00:19:41.368 --> 00:19:44.489
It's, it's a different conversation.

145
00:19:46.229 --> 00:19:55.169
Thank you I did want to follow up on what kind of sparked my interest.

146
00:19:55.169 --> 00:19:59.548
And that was the idea of lapse collaborating, I think.

147
00:19:59.548 --> 00:20:03.388
Jackie said that and Jeff, he sat down, I went office.

148
00:20:03.388 --> 00:20:08.219
I think you might have alluded to that amber and Tanya has.

149
00:20:08.219 --> 00:20:14.999
Has not ever been a consideration for the accredited Labs in Washington just sort of.

150
00:20:14.999 --> 00:20:18.239
Come together in the way that some of the other.

151
00:20:18.239 --> 00:20:24.929
You know, like the, I think about all the other sort of associations right? And in other fields.

152
00:20:24.929 --> 00:20:30.598
Has that been consideration for? It sounds like there might be interest.

153
00:20:30.598 --> 00:20:33.719
I don't know, I just want to follow up on that really quickly.

154
00:20:38.009 --> 00:20:43.828
Yeah, I'll that in on that. Oh, go ahead, amber. Oh, why don't you start, Jeff? And I'll.

155
00:20:43.828 --> 00:20:50.368
i mean i i think amber and i have actually talked about this offline at one point um .

156
00:20:50.368 --> 00:21:03.864
You know, following up with the variation study that I did on, I'd love to see somebody who's accredited and pesticides be able to jump in and do something along those lines, uh, with heavy metals pesticides.

157
00:21:03.894 --> 00:21:08.784
Those other analytes that, uh, you know, I'm just not accredited for yet. Um.

158
00:21:09.088 --> 00:21:17.848
In terms of, you know, being able to help since I'm not accredited there I'd be a little bit tough. We're working on it and we'll get there here soon.

159
00:21:17.848 --> 00:21:26.068
Um, and, you know, if nobody else does, that starts that work, then, you know, I'm, I'm probably going to do it at that point.

160
00:21:26.068 --> 00:21:31.288

Um, that that was kind of my starting point there for the conversation.

161
00:21:35.699 --> 00:21:43.949
Yeah, and I guess, um, we actually medicine creek analytics. This was gosh, 2 years ago now maybe not quite 2 years ago.

162
00:21:43.949 --> 00:21:53.038
Tony, I don't even remember if you were at confidence at this point, but medicine creek analytics, competence, analytics and Treece analytics.

163
00:21:53.038 --> 00:22:01.499
Um, work together, it was a bit of a secret project. We all signed an NDA, but we did send around pesticide samples to compare.

164
00:22:01.499 --> 00:22:15.239
Um, and I hope I don't get in trouble for saying this I mean, we never really we never like, publishes the right where we never advertised the outcome of that summary and.

165
00:22:15.239 --> 00:22:23.608
I think part of the reason that wasn't it's really hard to get even 3 Labs together to organize this.

166
00:22:23.608 --> 00:22:33.023
It's conference calls, it's sales, it's running the data, it's compiling the data. It's then talking to another conference call to compare the data.

167
00:22:33.834 --> 00:22:40.943
It it sounds simple and it is relatively, but we're all incredibly busy. Um, and so.

168
00:22:41.249 --> 00:22:55.348
You know, having of a facilitator for that, I think would really go a long way. And I, because I think there is interest in that to some be and to summarize our results. We each had.

169
00:22:55.348 --> 00:22:58.888
2 samples we sent around to the other 2 labs of.

170
00:22:58.888 --> 00:23:07.288
Of concentrates that we knew, or flower that we had, that our lab had tested positive for some pesticide and we didn't say what we didn't say what levels.

171
00:23:07.288 --> 00:23:10.439
We just said, you know, we sent these couple samples around.

172

00:23:10.439 --> 00:23:14.969
And all just put our data into a spreadsheet and looked and.

173
00:23:14.969 --> 00:23:19.108
And then, you know, if I'm remembering the results correctly.

174
00:23:19.108 --> 00:23:29.548
We all agreed on things that we're going to fail asked if we're talking about action limits and there is agreement across all 3 Labs and certainly trace analytics is no longer around. But.

175
00:23:29.548 --> 00:23:35.009
You know, there there have been attempts to do this to some degree in the past and.

176
00:23:35.009 --> 00:23:40.318
I, you know, we, we sort of all 3 of us convinced ourselves that we were doing a pretty decent job.

177
00:23:40.318 --> 00:23:52.588
With some sharing of method specifics that was partly why we did nda's and partly why we didn't really talk really openly about this project.

178
00:23:52.588 --> 00:24:06.568
Because of Barbara sensitive about metrics and things, and getting all of that out there. But I think a long story short is, you know, we've, we've attempted a little bit of that in the past. It's time consuming and complicated to get everybody on board.

179
00:24:06.568 --> 00:24:12.358
So, having someone to facilitate that, I think would make it much easier.

180
00:24:12.358 --> 00:24:24.239
Yeah, so collaborating on samples this is 1 thing, which is great. Great. I mean, I think that's just could certainly be a part of it.

181
00:24:24.239 --> 00:24:33.538
But even just being able to get together, just to discuss it right? Just like ideas like, not necessarily.

182
00:24:33.923 --> 00:24:47.034
Sharing samples and data, but like, this is what I'm saying, you know, I got this weird lotion. I have no idea what the heck's in and or whatever or different issues.

183
00:24:47.933 --> 00:24:53.574
And then also, just so we can sort of figure out, because I'm sure we're all seeing different. We're probably seeing a lot of the same issues.

184
00:24:54.088 --> 00:25:00.598
From a different angle, and it would be great to have that opportunity as far as, like, in the past. I mean, I.

185
00:25:00.598 --> 00:25:09.898
I mean, we've, we've been around for I mean, I guess I Pre certification. I've been pretty light for about 3 years and, um.

186
00:25:09.898 --> 00:25:18.088
You know, I mean, when i1st started, I reached out to several other labs to try to get some dialogue on and basically I got crickets.

187
00:25:18.088 --> 00:25:27.173
So, I mean, I would certainly, you know, I'm very interested, I don't see how science course without collaboration. I mean, certainly goes better.

188
00:25:27.983 --> 00:25:40.314
So, I, yeah, so I think having some sort of maybe semi formal informal meeting, that would be facilitated by not another lab, though, somebody needs to start it.

189
00:25:40.588 --> 00:25:49.618
I don't think we also need we need somebody to kind of be the seed. I think.

190
00:25:49.618 --> 00:25:53.278
Um, I think.

191
00:25:53.278 --> 00:25:59.969
And LCD hosts those, like, quarterly, last meetings I think it is. Sometimes I'm invited to those. Sometimes. I'm not.

192
00:25:59.969 --> 00:26:05.338
But, yeah, and that would be, uh.

193
00:26:05.338 --> 00:26:10.888
But it sounds like just with work load right now and I've understood that for some time that.

194
00:26:10.888 --> 00:26:14.459
Laws are just incredibly busy and trying to put something like that.

195
00:26:14.459 --> 00:26:19.618
Together, sort of organically between the labs can be a challenge at best.

196
00:26:19.618 --> 00:26:25.229
Well, thanks, that was.

197
00:26:25.229 --> 00:26:29.578
Great great kick off to this discussion.

198
00:26:29.578 --> 00:26:32.453
Um, I, I got 1 more thing to add to.

199
00:26:33.263 --> 00:26:45.804
Yeah, I think depending on what the steering committee ends up deciding on, um, prescriptive versus, um, performance based criteria for methods.

200
00:26:46.193 --> 00:26:57.624
I could see the opportunity for collaboration to be a lot stronger in the future. You know, if we're all required to use the same method, then it's a lot easier for us to then talk about that method.

201
00:26:58.013 --> 00:27:08.604
Um, whereas while we're all kind of going our own different directions and we're competing based off of our methods. Um, it's a lot harder to have those conversations.

202
00:27:08.634 --> 00:27:18.743
It's not mean you're afraid you're gonna give up your competitive edge so to speak by talking with your competitors. Um, whereas.

203
00:27:19.558 --> 00:27:24.568
And it sounds like we're going that prescriptive method route. So.

204
00:27:24.568 --> 00:27:28.558
I could see that happening.

205
00:27:31.828 --> 00:27:36.538
All right anything else before we move on to question 7.

206
00:27:36.538 --> 00:27:48.209
Last words and thoughts, we can always come back and supplement that if we want to if you guys feel like there's, you have another thought that that comes to, you.

207
00:27:48.209 --> 00:27:55.318
All right, so I know question 7 is is a complicated.

208
00:27:55.318 --> 00:27:59.398
Question and I'm glad we've got we've got an hour.

209
00:27:59.398 --> 00:28:04.528
So, let's go ahead and open it up. And that is.

210
00:28:04.528 --> 00:28:08.368
How in your mind do we find a compromise?

211
00:28:08.368 --> 00:28:11.848
Between rigorous science and affordable science.

212
00:28:11.848 --> 00:28:15.118
How do we require pesticides and heavy metals.

213
00:28:15.118 --> 00:28:18.239
Without killing off small farmers.

214
00:28:23.308 --> 00:28:31.378
So, I can jump in and kind of be the conversation started here. I've again got a prepared statement at all.

215
00:28:31.378 --> 00:28:46.013
Yeah, and, you know, I've talked about this in the past and I'll just read it. This is a non starter answer. I know, but it's the only answer I can think of taxes need to come down.

216
00:28:46.013 --> 00:28:58.013
In some way we built this system without considering pesticide and heavy metal testing and the tax rate is reflective of that. If we're gonna incorporate a new testing regime that is both time consuming and expensive.

217
00:28:58.044 --> 00:29:12.864
Something is going to have to give if saving small farmers who are already struggling under the current regime is important. Something has to change as labs were already very inexpensive. Considering the steps. We need to take to ensure quality data.

218
00:29:13.913 --> 00:29:25.973
That's only going to get more expensive by the way we, as an industry are already cutting corners or losing business to those who are it is right now as cheap and fast as it ever will be.

219
00:29:26.544 --> 00:29:38.334
With the transition of accreditation to ecology samples are going to take longer and cost us more to run. This is not conjecture. If we're going to require a 3rd party sampling costs are going to go up.

220
00:29:38.844 --> 00:29:50.693
We can't make lot sizes larger without risking increasing the variation of the results. So, where do we go either? The small farmers are going to go out of business, or we're gonna have to lower the taxes somehow. In my opinion.

221
00:29:51.683 --> 00:30:05.844
Uh, 1, not 1 alternative to lowering the excise tax would be to create a line item tax at retail. And I've talked about this, uh, in the past that goes to subsidize testing that is related to public health and safety.

222
00:30:07.193 --> 00:30:19.763
So mycotoxins, microbiology, pesticides, heavy metals. Those types of tests anything that would be like, terpenes, you know, that's more marketing related.

223
00:30:19.763 --> 00:30:24.534
So that would still be left to the, the farmer themselves or the processor.

224
00:30:25.949 --> 00:30:30.538
So, the idea here is that this would be outlined on the receipt that an, and, and.

225
00:30:30.538 --> 00:30:40.763
An end user receives with purchase saying something to the effect of, you've paid this much for pesticide and biological testing and heavy metals what was listed out.

226
00:30:41.364 --> 00:30:55.943
I know that this would seriously complicate things for the CB. But how else do we have our cake and eat it to? The lab costs are pretty fixed. We have 2 bystanders, chemicals equipment. We have a specific amount of quality steps.

227
00:30:55.943 --> 00:31:06.534
We have to take per batch of samples and that is only going to increase in the future. We can't exactly charge less than we pay to run each sample. And our prices are gonna go up with increased rager.

228
00:31:08.219 --> 00:31:19.409
So, I, I don't see any other choice, but the taxes, and I know that that's just not gonna happen. So I'm not sure how we fix this without putting farmers out of business.

229
00:31:22.288 --> 00:31:26.848
Thanks Jeff others.

230
00:31:31.288 --> 00:31:35.009
I guess to reiterate a lot of what I've said, and.

231
00:31:35.009 --> 00:31:47.189
You know, there's a rigorous science and affordable science don't usually go together in the same sentence. So it's not necessarily a, a compromise that a lot of good scientists are willing to make. Um.

232
00:31:47.189 --> 00:31:52.739

Jeff reiterate or mentioned that testing is as cheap as it's ever been.

233
00:31:52.739 --> 00:32:01.709
I don't know how we could possibly get any more efficient or cheaper. Good science cost a lot of money. I mean, just.

234
00:32:01.709 --> 00:32:10.469
The, the alone that I run for metals testing is 40000 dollars a year. And then.

235
00:32:10.469 --> 00:32:17.638
That's just 1 tiny cost amongst many and all of the other labs here can attest to all the other random.

236
00:32:17.638 --> 00:32:31.588
Very high cost for that are completely hidden from the, the sticker price of an analytical test. It's our job to bake that into our cost. Right? And and so, um.

237
00:32:31.588 --> 00:32:40.199
You know, looking at pricing for compliance testing in other states, it's often 2 to 3 times as expensive for the same test that we do here.

238
00:32:40.199 --> 00:32:50.933
Same science same instruments, not like things cost that much more in California for the basic analytical regions that we require. It's all from the same suppliers.

239
00:32:52.284 --> 00:33:01.104
So, I do think it's a bit of a drama, and there does have to be some some of that cost has to be transferred on to the end user.

240
00:33:02.034 --> 00:33:07.794
I've had friends from out of state and move here and say their shops is at the stores.

241
00:33:09.203 --> 00:33:21.564
So, I think and if you look at other states, that have more expensive and more rigorous compliance testing there are business models. That are profitable. So, it can occur.

242
00:33:22.703 --> 00:33:32.064
And I don't know enough about the rules of taxes and economic pressures to have a better suggestion there. But.

243
00:33:32.338 --> 00:33:46.199
Um, I guess from the scientist point of view, there's not a lot we can do to make it any cheaper and it's only going to get more expensive as the rigor is increased. And then the number of injections and things we do are increasing. This is gonna have to.

244

00:33:49.439 --> 00:33:52.798
Echo a lot of good.

245
00:33:52.798 --> 00:33:56.818
So, amber and Jeff, that is that already the price.

246
00:33:56.818 --> 00:34:11.728
For testing in Washington, some of the lowest in the country when i1st got into space, I was actually pretty surprised at the low prices protesting, knowing some other industries, what it cost to run a lab.

247
00:34:11.728 --> 00:34:22.079
So, definitely some, that needs to be addressed and how do we do that? So it could be just going to end product testing, right? Maybe not every.

248
00:34:22.079 --> 00:34:29.153
Everything for every step needs to be tested, because really, at the end of the day, it's the end product that gets the consumer.

249
00:34:29.454 --> 00:34:38.963
Now if someone wanted to produce a process, I wanted to test any intermediate for whatever it might be just as part of their process.

250
00:34:38.963 --> 00:34:46.134
That's totally fine, but for compliance testing, maybe going back to end product with Apple saved, produce the process. There's money.

251
00:34:52.949 --> 00:35:07.409
I'll just throw in there. Yeah, I agree with what I've I've heard so far. I will kind of yeah, when i1st read this question, you know, I basically just had that sort of.

252
00:35:07.409 --> 00:35:12.744
Answers we just heard and I and those answers I'm not sure they're answers,

253
00:35:12.744 --> 00:35:16.974
but statements when you start to create this question,

254
00:35:18.023 --> 00:35:23.514
it's kind of a philosophical cat's work and really I mean,

255
00:35:23.934 --> 00:35:24.594
the statement that,

256

00:35:24.594 --> 00:35:24.923
you know,

257
00:35:25.704 --> 00:35:27.173
more regular cost more,

258
00:35:27.474 --> 00:35:28.733
it's kind of true.

259
00:35:29.244 --> 00:35:35.634
I think the relationship isn't linear correlated I mean,

260
00:35:35.634 --> 00:35:44.903
there are plenty of left out extremely rigorous to string by spending tons of money to regular size thing is,

261
00:35:44.903 --> 00:35:46.554
with a ton of testing we're doing,

262
00:35:47.123 --> 00:35:49.554
especially we're talking about adding pesticides and heavy metals,

263
00:35:49.554 --> 00:35:50.574
that is expensive.

264
00:35:50.574 --> 00:36:04.164
Science right even if you don't do it with rager it's expensive. It's just kind of the point that just kind of make that point on. I think definitely.

265
00:36:04.164 --> 00:36:16.673
I mean, we're just way cheaper. I mean, for sure. I mean, I've looked into it to and what you can find, and I think, really the reality is that cost I mean, taxes are an issue for sure.

266
00:36:16.974 --> 00:36:25.134
But, I mean, there's no reason that costs can't be transferred onto the end user. Say the prices are low very low.

267
00:36:25.764 --> 00:36:33.054
It's like 19, eighties, parking lot price still out there and it's crazy.

268
00:36:33.264 --> 00:36:47.603
And so it's like canada's immune from inflation and and so there's definitely room there. You got to get the wholesaler wholesale price out to cover that cost.

269
00:36:49.974 --> 00:36:59.634
And if it comes down to, I don't think, I can standpoint, like Jeff was saying, like you mentioned, that we can't go to 10, I don't think that's a solution.

270
00:37:00.293 --> 00:37:05.003
So, I really think it's just and again, I think we're just going to have to be higher price.

271
00:37:06.329 --> 00:37:16.528
Okay, so to add on to this, just to be a little bit more specific here.

272
00:37:16.528 --> 00:37:22.889
Currently forking adenoids. It takes me about 10 minutes to run a sample.

273
00:37:22.889 --> 00:37:29.009
Um, that's not including any of the quality assurance, uh, samples that I have to add into each batch.

274
00:37:29.009 --> 00:37:40.733
Um, but for an individual sample, that takes about 10 minutes, uh, if we're gonna be following what the current recommendation from the steering committee is, uh, we're looking at 25 minute, run times.

275
00:37:40.733 --> 00:37:52.074
So, I go from being able to run 6 samples per hour per machine. 2, 2, and a half 2 and a 3rd, uh, samples per hour. Uh, and.

276
00:37:53.454 --> 00:38:05.333
That again, that's not including the 5 samples that I have to run for every 20 actual samples for the quality assurance steps. That's not including the calibration samples that I have to run every day.

277
00:38:05.963 --> 00:38:06.534
Um,

278
00:38:06.684 --> 00:38:07.164
so,

279
00:38:07.164 --> 00:38:07.494
I mean,

280
00:38:07.494 --> 00:38:12.324
just right there with 1 of our 1 of our more inexpensive tests that,

281
00:38:12.353 --> 00:38:13.074

uh,

282
00:38:13.103 --> 00:38:17.304
that we have to run costs are going to go up if we,

283
00:38:17.333 --> 00:38:21.983
if we go to this psychology model that we're pretty gung H* about right?

284
00:38:23.755 --> 00:38:30.085
Eh, I can't speak as much to the pesticides the side of things they may be angry.

285
00:38:30.085 --> 00:38:42.295
Tonya can, um, but, you know, just for that's a huge increase in costs that we're looking at and, you know, jay's right. In that in the end.

286
00:38:42.295 --> 00:38:46.105
Somehow, we've got to pass this on to the end user.

287
00:38:46.349 --> 00:38:51.360
Because the farms can absorb it. Retailers don't want to absorb it.

288
00:38:51.360 --> 00:39:05.155
Um, but then we also run into the idea that the more expensive at at retail that the product is the more the black market is going to become a part of our world. Right?

289
00:39:05.485 --> 00:39:09.295
Um, the cheaper it is to go out and buy it from your buddy. Rick.

290
00:39:09.389 --> 00:39:22.739
Uh, the less likely you are to go and buy it from the, the retail shop. So I feel like that there's kind of balancing forces at play here. Uh, economically in that, uh.

291
00:39:22.739 --> 00:39:28.530
Demand oh, wow.

292
00:39:28.530 --> 00:39:36.449
Oh, there's a giant spoil on the front yard.

293
00:39:39.534 --> 00:39:53.304
I'm fortunate that the PS guy hasn't showed up and my dog goes crazy while I'm talking, I'll have to share that happened with processor producer, opening multiple boxes. Josh just lost their lives.

294
00:39:53.610 --> 00:40:00.150
Oh, well, thankfully this is just someone walking their dog so.

295
00:40:00.150 --> 00:40:06.869
Okay, anybody else, because I have kind of a follow up question. That might be a little bit controversial.

296
00:40:07.889 --> 00:40:11.039
Yeah, and I think the other thing is.

297
00:40:11.039 --> 00:40:20.670
Is there a way? And this is kind of just brainstorming not that that could be more selective about the test. Maybe increased.

298
00:40:20.670 --> 00:40:28.469
The lot sizes or some tests, residual solvents or something where the is.

299
00:40:28.469 --> 00:40:40.739
The sample is more homogeneous, but then for potency or cannabinoids, keep the lot size small. If we did something like that, that maybe could help still get the representative data.

300
00:40:40.739 --> 00:40:49.500
For each, each batch of product bridge lot, but be more selective and increase lopsided for certain tests.

301
00:40:49.500 --> 00:41:01.889
Yeah, and that was that was 1 of the 2 questions I wanted to follow up with and that is in rethinking what the quality control rules might look like into the future.

302
00:41:01.889 --> 00:41:10.980
And I've asked our examiner's unit, I've asked, you know, other people in the agency. What would this look like if we did some sort of.

303
00:41:10.980 --> 00:41:14.730
Adjustment on how much we did of what.

304
00:41:14.730 --> 00:41:22.050
Um, is every test that we require right now in 5 5 or 2 suite? Is it absolutely necessary?

305
00:41:23.190 --> 00:41:28.320
Um, because I think, you know, I just have to wonder, is there any place that we can.

306
00:41:28.320 --> 00:41:34.170

Kind of move these around to make some adjustment and cost.

307
00:41:34.170 --> 00:41:40.500
So that processors and producers are aren't getting, um.

308
00:41:40.500 --> 00:41:47.250
Uh, they're not being impacted, nor allows really if we can move things around a little bit. Is that possible?

309
00:41:47.250 --> 00:41:53.969
The last question number 1 question number 2 is 1 that I have now seen in response to.

310
00:41:53.969 --> 00:41:58.769
Both of our proposed rules, but the original and the supplemental.

311
00:41:58.769 --> 00:42:02.130
See, our 1 on 2 that we filed and you had hearings on.

312
00:42:02.130 --> 00:42:05.159
And 1 thing I hear all the time.

313
00:42:05.159 --> 00:42:13.889
And it's in our written documents that are on the website, right? When we give up our comments, right? We share comments that we receive.

314
00:42:13.889 --> 00:42:19.260
Is this notion that any increase in pesticide in heavy metal testing?

315
00:42:19.260 --> 00:42:29.489
Well, only enrich Labs so, um, and that was the more controversial thing that I wanted to bring up here, because I just wanted to kind of.

316
00:42:29.489 --> 00:42:34.199
Bring that up with people who work in labs.

317
00:42:34.199 --> 00:42:38.190
For a little bit of response on that, because I've.

318
00:42:38.190 --> 00:42:41.309
The interesting comment, um.

319
00:42:41.309 --> 00:42:45.000

Just wondering what your thoughts are on.

320
00:42:45.000 --> 00:42:48.570
Why are both of those questions are neither.

321
00:42:48.570 --> 00:42:58.980
I think that I can definitely see that perspective from a growers, um, perspective right? That.

322
00:42:58.980 --> 00:43:13.139
The labs want this, because it's just gonna be a bunch of revenue for them and ultimately, it's not going to protect public health and safety. Um, and I think that's an important point to keep in mind is if we want to keep public health and safety in mind.

323
00:43:13.139 --> 00:43:25.500
What is really required for us to make sure that people are not exposed to things that are dangerous, given that there is no research about.

324
00:43:25.500 --> 00:43:28.500
Smoking pesticide lead in cannabis.

325
00:43:28.500 --> 00:43:39.744
There really is no data. We know that Michael butanoic, for instance, gives off cyanide gas, but to my knowledge, no 1 has ever actually measured that in Canada smoke cannabis paper.

326
00:43:40.074 --> 00:43:52.375
Any of that right is the cyanide levels that are in there going to hurt us. I don't know, I mean, I've done back of the envelope calculations and not to my knowledge even if there was failing level of my computing all in there.

327
00:43:52.679 --> 00:43:56.250
But that's again, we don't have the data.

328
00:43:56.250 --> 00:44:04.469
We have been involved medicine creeping we, in looking at heavy metals in cannabis vaporizer cartridges.

329
00:44:04.469 --> 00:44:09.059
It's pretty clear that if you test the oil.

330
00:44:09.059 --> 00:44:18.989
4 heavy metals, and just the big 4, you're not going to be protecting consumers from inhaling the metals that are in the heating elements themselves. Right?

331
00:44:18.989 --> 00:44:27.989

So so I think that requiring heavy metals and pesticide of every single logic gets sold is probably a bit overkill.

332
00:44:27.989 --> 00:44:31.530
Um, so where is that balance of.

333
00:44:31.530 --> 00:44:35.070
Random sampling shells, for instance, or.

334
00:44:35.070 --> 00:44:38.519
You know, every 10th lot, or like.

335
00:44:38.519 --> 00:44:42.090
I don't know what the right answer is there and so.

336
00:44:43.405 --> 00:44:53.065
We do have data on people ingesting heavy metals that data's worked out to my knowledge edibles as a small percentage of what gets sold in retail stores.

337
00:44:53.724 --> 00:45:01.675
So, maybe we start there because we have actual data about people being exposed to heavy metals, oral routes of consumption.

338
00:45:02.099 --> 00:45:09.179
And also, pesticides, right? We have some evidence based data for that oral routes consumption.

339
00:45:09.179 --> 00:45:14.579
You know, I don't necessarily.

340
00:45:14.579 --> 00:45:22.590
I think we can also look at some of the data that the labs have already generated in regards to pesticide testing. It's not a perfect.

341
00:45:24.775 --> 00:45:33.445
Sampling because the pesticide testing that we get as labs are voluntary. So, maybe the people who are spraying pesticides, obviously sending their samples and for testing.

342
00:45:34.045 --> 00:45:39.985
But I think, you know, there's enough data out there to suggest there is certain amounts of failing product out there.

343
00:45:40.380 --> 00:45:49.050
But again, are those levels set at a reasonable amount? Is that a level that I would be worried about inhaling.

344
00:45:50.065 --> 00:46:03.445
I don't really have a good answer for that and I wish I wish I did so I'm not really answering the question in a great way but I do think it's an important point to that probably requiring these expensive tests of every single op.

345
00:46:03.625 --> 00:46:07.494
I'm actually going to pretend dangerous product from getting out there.

346
00:46:07.800 --> 00:46:12.269
So, there could be creative ways to reduce some of that.

347
00:46:12.269 --> 00:46:17.969
Yeah, I think for sure I appreciate that perspective. Do do others want to.

348
00:46:17.969 --> 00:46:25.079
Yeah, I mean, I think, um, I mean, I agree with amber.

349
00:46:25.079 --> 00:46:35.364
But I think it gets very complicated once you start say, okay, this is a test, every 5 pounds on this. But on this, it's every 20 pounds and whatever.

350
00:46:35.364 --> 00:46:45.565
Like, how do you keep track of all those samples and does it provide an opportunity for somebody? That's trying to hide something to say. Okay, well, these 3, I'm not going to test this 1.

351
00:46:45.565 --> 00:46:59.155
I'll test and open up some more avenues to, to hide things. Things like concentrates. It's supposed to be 1 runs something. Right?

352
00:46:59.275 --> 00:47:02.034
Whatever that is kind of ambiguous definition.

353
00:47:02.340 --> 00:47:10.320
1 lot, you know, so, I mean, what's the difference is like 1 lie, you do the test or you don't, you know.

354
00:47:10.320 --> 00:47:16.409
So, I think I think it, I think it just might be hard to track all those things. I.

355
00:47:16.409 --> 00:47:22.494
I don't have a great answer either and I'm not whatever salary at all or not.

356
00:47:23.724 --> 00:47:33.474

But, you know, 1, 1 thing that I thought of, which I've no idea if it was reasonable, is that maybe you have some sort of just like, we had the 3 tiers of producers, maybe the testing level and somehow.

357
00:47:34.255 --> 00:47:49.014
Set to that, like, what tier you're at, what percentage of your lots get tested or what test? I don't know. Just to try to adjust it because it's definitely the smaller farmers, but at least initially is going to take the biggest head.

358
00:47:49.074 --> 00:48:01.284
Right? If prices don't adjust to cover the sampling cost, it's a little farmer for sure. So, I don't know if there's some way that it can be scaled that way or not. I don't know.

359
00:48:06.204 --> 00:48:11.664
We're all every answer is for the 1st time.

360
00:48:14.489 --> 00:48:22.139
Yeah, oh, there's Jeff Tanya anything to add there.

361
00:48:23.940 --> 00:48:31.530
Well, I think acquired increasing testing is only reaching the lab. I think we've already talked about that.

362
00:48:31.530 --> 00:48:36.510
The prices are still really low, and with all the changes coming down the pipeline.

363
00:48:36.510 --> 00:48:48.414
As ecology takes over, Jeff hit on a couple of them, but before we would read, you know, maybe it's 50 samples and other 50 samples, and we'd run 5 or 6 controls.

364
00:48:49.824 --> 00:49:02.155
But now they're talking about for every 20 samples. We're going to be. We're going to have to run on the 8 to 10 control. So a 3rd of our badges are now going to control. So, either without having middle contest, besides just the new way.

365
00:49:02.875 --> 00:49:09.925
The lab testing, the same structure is going to add a significant cost to the testing.

366
00:49:10.255 --> 00:49:20.065
So, again, I don't have all the answers just throwing some key points out there that yeah, it sounds like, oh, the labs are going to be happy. All this. They're gonna mandate all this testing.

367
00:49:20.934 --> 00:49:30.204
Well, yes, it's going to increase costs just in itself and then restructuring the accreditation is going to add even more to that overhead for the lab.

368

00:49:31.590 --> 00:49:35.820
Okay.

369
00:49:38.695 --> 00:49:50.485
So 1st off, I'll touch on your your question about a needed testing or a more directed testing. Uh, and I'll start off by saying, I am not a public health and safety expert.

370
00:49:50.545 --> 00:49:57.925
Uh, I'm a 1st responder, but this is way above my head in terms of, uh, you know, public policy. Um.

371
00:49:58.619 --> 00:50:11.760
But I don't see any micro talks and failures ever. Um, it seems to me that replacing a total yeast and mold, which seemed like an overly broad.

372
00:50:11.760 --> 00:50:26.335
A category for testing with this Super narrow mycotoxins category might not have been the best. Um, and again, I don't I only say that from the perspective that we just never see failures.

373
00:50:28.914 --> 00:50:42.715
I think that maybe just doing micro talks and testing on ingestible uh, the edibles, uh, might make a little bit more sense because, you know, some of the data suggests that that's the route where it's dangerous. Um.

374
00:51:53.130 --> 00:52:05.695
I mean, I would argue that we're not the ones calling for pesticides and heavy metal testing. The biggest voice in my mind would be the medical community who don't trust the system.

375
00:52:05.695 --> 00:52:14.454
The people who have walked away from my 5 0, 2, and are now in the black markets, because they don't trust the labs. They don't trust the LTB.

376
00:52:14.875 --> 00:52:15.655
Um,

377
00:52:17.034 --> 00:52:17.335
I,

378
00:52:17.335 --> 00:52:18.864
I definitely like amber said,

379
00:52:18.864 --> 00:52:22.405
I can see why somebody would think that me advocating for,

380

00:52:22.585 --> 00:52:22.914
you know,

381
00:52:22.914 --> 00:52:26.905
not raising lot sizes would be me trying to enrich myself,

382
00:52:27.264 --> 00:52:33.835
but I've intentionally avoided any kind of economic arguments specifically for that reason.

383
00:52:34.525 --> 00:52:44.994
You know, these types of rules are gonna potentially put Labs out of business as well. It's not just the farmers that are at risk here. You know, if if.

384
00:52:46.585 --> 00:52:59.094
I mean, heavy metals, for example, a part of the ecology transition, we've decided that we're going to require, or in order to do heavy metals testing.

385
00:52:59.155 --> 00:53:04.434
I mean, correct me if I'm wrong amber, but that's a 400 no, I guess that's 250000 dollar piece of equipment.

386
00:53:07.650 --> 00:53:18.690
Not all labs are going to be required to do that testing, but if, if we want to be competitive in that market, then we're going to have to fork over a whole bunch of months.

387
00:53:18.690 --> 00:53:30.295
I and not every lab is going to be able to do that. Similarly, you know, you you half the number of samples settle apps, gonna be able to run. We're going to have to hire more staff. We're gonna have to buy more equipment.

388
00:53:30.925 --> 00:53:39.235
Um, even just for, in the equipment, a lot less expensive, but that's still capital that we're going to have to generate.

389
00:53:39.510 --> 00:53:45.150
Um, and again, I come back to this point that we're cheap.

390
00:53:45.150 --> 00:53:54.420
We're so dang cheap right now and we do it because we have to to be competitive. You know, the, the farmers expect it and again, I, I.

391
00:53:54.420 --> 00:54:07.889
Keep coming back to, um, the tax structure and it, at least from my perspective and for lack of a better words, this, this taxes is just bleeding these guys dry.

392

00:54:07.889 --> 00:54:17.820
Um, so, yeah, in terms of enriching the Labs, I, I don't think that that argument holds water. Uh, I think we're, we're.

393
00:54:17.820 --> 00:54:23.909
Struggling to survive just as much as any of the farmers that that I have as customers.

394
00:54:24.264 --> 00:54:31.315
I think if any of us wanted to get rich, this is not a business we would be working and he has to get rich.

395
00:54:31.315 --> 00:54:41.065
I felt that this going anyway, but I do want to address the, the enriching ourselves comment as well.

396
00:54:42.594 --> 00:54:57.204
Yeah, I mean, I like everybody's saying where it's very cheap. I mean, we are, we're all businesses, right? We're in it to pay salaries and hopefully get a little extra money to whatever, buy new equipment, some daily or that kind of thing.

397
00:54:58.465 --> 00:55:05.094
But, you know, we, we just, we just got the ball over the line for, for pesticide certification just last week.

398
00:55:06.204 --> 00:55:20.844
And we did it somewhere in the pandemic, and it took us forever, because we couldn't get any help from anybody right? We couldn't nobody could come to our lab and all that kind of stuff. And we're, I mean, we laid out a lot money to get them right?

399
00:55:20.875 --> 00:55:27.744
I mean, it's expensive all the labor, all the hours and all the banking, any revenue yet on that.

400
00:55:27.864 --> 00:55:40.704
And it have not hit a single revenue and it's going to take a lot of time before. We even close to paying off that machine.

401
00:55:41.065 --> 00:55:50.695
Let alone the labor that we put in there and profit mark, quote, unquote, profit margins right? Whatever we make above and beyond with.

402
00:55:50.695 --> 00:56:05.394
The actual cost of that sample is really small, and we have to keep the market just not even just a competition between getting farmers to use us or whatever.

403
00:56:05.635 --> 00:56:18.414
Like you go so high because they can't afford it. We have we have plenty of customers that you just what are they ever going to pay because they're in a situation sometimes where they don't have the money up front to pay for testing.

404

00:56:18.925 --> 00:56:26.545
They have to harvest, get the task to sell it. Then they can pay you right? You got to say well, how much do I trust this guy before?

405
00:56:26.545 --> 00:56:34.405
I say and so we're not charging that much and I don't see anybody consumer.

406
00:56:36.570 --> 00:56:43.650
Thank you, it's not going to say that.

407
00:56:46.224 --> 00:56:58.644
I mean, to tag on to Jay James s***. J. J. so I'm inclined. Yeah my, I'm so sorry. That's okay. I've been paying a pH.

408
00:56:58.644 --> 00:57:09.445
D, chemist to work on pesticides for about a year now and we're still working on validating techniques and we're getting close, but we're I'm I'm not there yet.

409
00:57:09.719 --> 00:57:21.480
I, I can't recognize any kind of return on my investment yet until I get that accreditation coming by. And, uh, I'm still not there yet. So.

410
00:57:21.480 --> 00:57:32.664
I mean, that's a pH. D chemist wage and that's not even including, you know, the, the equipment that we've had to put out for. So it's, it's very expensive to do this stuff.

411
00:57:32.724 --> 00:57:37.554
And again, as I keep coming back to, it's only gonna get more expensive with added Ricker.

412
00:57:37.829 --> 00:57:41.250
Right.

413
00:57:42.659 --> 00:57:50.070
Well, thanks very much for that. Follow up Tanya any, anything else that you wanted to offer you.

414
00:57:52.164 --> 00:58:03.625
I mean, I think, I think we've all said it, I mean, I kind of just another example, we brought up heavy metals in our lab during a pandemic. Right? So it's kind of the same thing. We're bringing the expense of the equipment.

415
00:58:04.945 --> 00:58:13.465
We have to be very careful on scheduling any kind of service or support and things of that nature. So, yeah, I think everyone's covered everything pretty well.

416

00:58:15.329 --> 00:58:19.170
Okay, yeah, that's what they started in that we are.

417
00:58:19.170 --> 00:58:32.724
You know, we have set up trying to figure it out the mass back and all that, and we finally schedule them out to work with us and then they got coven tech right before they came. Right? So, that was going over.

418
00:58:32.755 --> 00:58:40.945
They were down for, like, another like, another 2 months before haven rescheduled. So, anyway, I was just a little anecdote pandemic life.

419
00:58:41.250 --> 00:58:52.019
Well, the adjustments we are having to make and continue, I mean, it's been a year now almost right where we've been trying to adjust to this new way of.

420
00:58:52.019 --> 00:58:57.809
Interacting with each other and doing business and yeah it's challenging it at best.

421
00:58:59.039 --> 00:59:02.489
Okay, uh.

422
00:59:02.489 --> 00:59:06.480
We only have 25 minutes left and 1 more question.

423
00:59:06.480 --> 00:59:16.679
And I am interested in hearing about this from your perspectives what is the most common question or concern?

424
00:59:16.679 --> 00:59:23.610
Raised by your clients, and I think you feel more than 1 feel free to share but, uh.

425
00:59:24.630 --> 00:59:32.010
What what what are the concerns that you folks here from? From the people who do do business with.

426
00:59:33.659 --> 00:59:38.460
Where's my.

427
00:59:42.960 --> 00:59:47.130
I think our number 1 concern is.

428
00:59:47.130 --> 00:59:50.130
When they get a failing result for anything.

429
00:59:50.695 --> 01:00:05.635
And they can't figure out where it came from. And then I think, I don't remember what question this came up with but someone brought it up on 1 of the other questions that if it gets pesticide failure or something like that. And they are saying, well, we don't use any pesticides or can it come from?

430
01:00:06.474 --> 01:00:12.894
And they, they're really looking to us a lot. We've actually troubleshot people's facilities with them.

431
01:00:12.894 --> 01:00:21.534
Just perhaps we have a good relationship and things of that nature, but that's probably the number 1 wide in my mind in my sample fail.

432
01:00:22.679 --> 01:00:28.500
I'll jump in.

433
01:00:28.500 --> 01:00:31.679
And, uh, this is my shortest answer by far.

434
01:00:31.679 --> 01:00:35.909
Right.

435
01:00:36.235 --> 01:00:49.614
The most and it's funny, because you guys kind of touched on this already, but the most common question we get is, can you rush this sample? We do get questions about failures failures and how to not fail tests in the future.

436
01:00:50.275 --> 01:01:01.465
And for this reason, we offer free site visits to help our customers figure out root causes for their issues at this point in the industry, though. Most of our customers have things pretty well figured out.

437
01:01:01.465 --> 01:01:12.355
So, site visits are less of a thing than they used to be and really? Even in the beginning, they weren't that big of a thing. But we've definitely done some site visits.

438
01:01:12.355 --> 01:01:24.414
Like, Tanya mentioned, we've gone out to facilities and tried to figure out root causes of why somebody's failing for mole back and back in the day before mycotoxins.

439
01:01:25.164 --> 01:01:32.425
And we've definitely figured out some stuff. I mean, hey, that leak in your roof that has that black stuff growing around and that might be a problem.

440
01:01:33.594 --> 01:01:42.025

We go around and we do swabs and figure out where vectors are coming or where things are coming from.

441
01:01:43.525 --> 01:01:50.335
But I think both Tanya and amber head on exactly what we see the most. Where's my data.

442
01:01:50.639 --> 01:02:02.244
Why am I failing? Yeah, I'd say that the biggest question we probably get is Where's my data? Exactly like, you know, we got a 12 hours ago. Why is it?

443
01:02:02.244 --> 01:02:06.505
I thought kind of thing and then probably the biggest complaint we get is.

444
01:02:06.780 --> 01:02:13.260
Is by far potency and it's, you know, sometimes it's, you know.

445
01:02:13.260 --> 01:02:22.795
Whatever it's, I mean, that that would be the biggest complaint for sure. We definitely have had, you know, complaints about failures in the past. We've had a little bit.

446
01:02:22.795 --> 01:02:29.065
Sometimes people complain about non failing numbers, you know like, why is there whatever.

447
01:02:29.519 --> 01:02:36.269
Some propane in my sample or whatever, even though it's not even close to failing. It's pretty rare.

448
01:02:36.269 --> 01:02:47.280
And then Mike, we had Micro, um, with Micro, we did get some complaints about failures, but I'd say it's kind of has half half people or.

449
01:02:47.280 --> 01:02:51.840
Saying, why did I fail? I said the fail and the other. How far.

450
01:02:51.840 --> 01:02:57.210
Help let me find out why I'm feeling kind of. I'd say it's a pretty, even mix on that.

451
01:02:57.210 --> 01:03:04.260
So, when people ask for help, I mean, typically, what.

452
01:03:04.260 --> 01:03:10.079
Is and do you try to respond to I mean, to me, that kind of seems outside the.

453

01:03:10.079 --> 01:03:13.739
To.

454
01:03:13.739 --> 01:03:20.190
Yeah, it just like Jeff said, we do the same thing. We'll we'll, we'll go to their place and sample.

455
01:03:20.190 --> 01:03:24.960
If it's like a micro type failure we've lost, or we'll give them.

456
01:03:24.960 --> 01:03:28.920
We'll just give them swap. Excuse me? We'll get them spots.

457
01:03:28.920 --> 01:03:32.039
And have them doing what analyze them for it.

458
01:03:32.039 --> 01:03:39.539
To see, and try to help them troubleshoot. We've had some problems with some residuals solvent.

459
01:03:39.835 --> 01:03:53.485
Failures like things like dialing or something showing up that shouldn't be there and we've helped troubleshoot their chemicals just like, hey, send us your what you're using individually trying to find the source contamination. So, yeah, I mean, we.

460
01:03:58.255 --> 01:04:12.025
1, step that we've taken is in particular with something like a solvents failure or really any failure or any kind of hey, we don't believe you type of comments.

461
01:04:12.239 --> 01:04:19.795
Okay, well, here we'll just send it to another lab for you. So we generally end up paying for those as well.

462
01:04:19.795 --> 01:04:33.864
But I know I've sent a ton of samples to amber just for confirmation, and most of the time they come back and they're pretty dang similar to what we, what we gave the, the customer.

463
01:04:34.344 --> 01:04:44.545
And that generally seems to help with any kind of. Hey, you guys don't know what you're talking about type of questions.

464
01:04:46.315 --> 01:05:00.684
But, yes, I mean, in terms of site visits, uh, and helping people with their problem, you want your customers to be successful, right? If if my client goes out of business, then I do too.

465

01:05:01.554 --> 01:05:10.014
And so, you know, anything that we can do to help these guys really is important in my mind because their health is my health.

466
01:05:12.840 --> 01:05:23.250
Yeah, I actually I enjoy helping troubleshoot these problems sometimes, you know, it's something different to do and it's, you know, some good investigated science. So.

467
01:05:23.250 --> 01:05:28.230
I get some pleasure out of it too.

468
01:05:28.230 --> 01:05:36.269
That's good to hear. I would say, what are we also do? Our 2nd network complaint is cost.

469
01:05:36.269 --> 01:05:42.840
Just to go back to that previous 1. yeah, we get a lot of complaints about call, especially from this.

470
01:05:42.840 --> 01:05:57.295
Smaller farms, like, you know, if you're not getting, you know, we're trying to explain to somebody that, you know, they're not even on there. They, they're lots are so small and breaking even on the testing, you know, just the way things are.

471
01:05:58.105 --> 01:06:00.684
So, yeah, we get complaints about cost.

472
01:06:03.000 --> 01:06:06.900
Complaints that you said.

473
01:06:06.900 --> 01:06:12.989
Uh, your understanding is, I guess is a better way to say it, it primarily from smaller farms like.

474
01:06:12.989 --> 01:06:16.019
It seems to be.

475
01:06:16.405 --> 01:06:31.224
So, you're not universally, but I right. Yeah, I would say I've gotten, I don't know what the right term is try to strong arm. Maybe by larger companies more often or cuts. I'm promising to send hundreds of samples.

476
01:06:31.375 --> 01:06:33.474
If you give us X. Y, Z.

477
01:06:33.960 --> 01:06:38.550

Pricing and rarely do I ever ever see those samples.

478
01:06:38.550 --> 01:06:43.019
My, my general response to people in that regard is.

479
01:06:43.019 --> 01:06:48.989
Show us the numbers I'm happy to give you a discount. Once you demonstrate that you're a reliable customer.

480
01:06:48.989 --> 01:06:55.170
And create a special pricing scheme for someone on the promise that you're going to send us samples.

481
01:06:55.170 --> 01:07:04.889
So, you can get a couple cheap tests. So it's kind of like the pricing is definitely a common.

482
01:07:04.889 --> 01:07:10.920
A question we get, I don't know if it's a complaint, you know, can you help us out on the price here or whatever? Um.

483
01:07:10.920 --> 01:07:19.409
But in my experience, it's been a lot of trying to get strong armed a little bit by people promising to send many many samples and.

484
01:07:19.409 --> 01:07:25.139
We don't, we don't really do a lot of special pricing here. End of story. We try to keep it really simple.

485
01:07:25.139 --> 01:07:39.150
Um, because as soon as, you know, it, it gets very complicated for invoicing. So I try to keep it very, very straightforward across the board and that way I don't have to do needing negotiating. This is the price. This is how much it cost us to run the test.

486
01:07:39.150 --> 01:07:46.559
You know, take it or leave it. I want to be I want to try to help people out and we have rarely.

487
01:07:46.559 --> 01:07:50.760
In on rare occasion, given people special pricing schemes for certain.

488
01:07:50.760 --> 01:08:00.175
Projects or volumes or whatever, but volume discounts also don't help the smaller farmers they they just can't bring in the volume that larger processors can.

489
01:08:00.175 --> 01:08:09.985
So it's also another ding against small farmers if you constantly give volume discounts. So that's another reason why I just try to keep our pricing straight across the board. No matter what.

490
01:08:14.155 --> 01:08:21.654
I consider myself very fortunate that I have a partner. My business partner handles the people side of things, and I just get to handle the science.

491
01:08:21.654 --> 01:08:22.074
So,

492
01:08:23.215 --> 01:08:23.515
you know,

493
01:08:23.515 --> 01:08:25.465
we talk about this a lot though,

494
01:08:25.465 --> 01:08:29.935
and he definitely gets a lot of the same arguments that amber I mean,

495
01:08:29.935 --> 01:08:44.484
I can't count the number of times that we're going to expect all these samples from somebody who we just gave a price break to upfront and then they go somewhere else and you never hear from they never pay for the samples

496
01:08:44.755 --> 01:08:51.864
in the 1st place and there's definitely the large farmers putting pressure on you in terms of hey,

497
01:08:51.864 --> 01:08:54.414
we can pay your bills for the month.

498
01:08:54.414 --> 01:09:08.484
If we, if we do 1 drop, but then there's also the sad stories that you hear of farmers that have to sell their lot. And if they don't get good numbers on this on this lot, then they're going to go out of business type of thing.

499
01:09:09.475 --> 01:09:24.085
And in both both of those stories happen constantly and so cost is definitely it's a huge thing. And I hate to say this, but we end up just eating so much.

500
01:09:24.114 --> 01:09:27.414
I mean, we, we end up doing free retest all the time.

501
01:09:28.375 --> 01:09:40.104
We end up doing those site visits for free, just to help keep our customers in business so that maybe if we scratched our back, then in the future, they can scratch ours.

502
01:09:40.859 --> 01:09:49.529
Um, but a lot of times that doesn't really work. There's, there's not a lot of loyalty necessarily. I've seen.

503
01:09:51.060 --> 01:09:55.229
Huh.

504
01:09:55.229 --> 01:09:59.699
Anything else.

505
01:09:59.699 --> 01:10:05.430
1, 1 thing that comes up for us is just the way some samples are categorized, and least.

506
01:10:05.784 --> 01:10:10.404
And so, then it comes to us and it's categorized wrong and because of the wrong tasks are ordered.

507
01:10:11.274 --> 01:10:11.425
So,

508
01:10:11.425 --> 01:10:13.583
that's a big 1 and we try to catch it,

509
01:10:13.583 --> 01:10:26.814
but apparently lead the friendliest of displaying all the tests where they should be when I think 1 of the most common when does ethanol extraction and they'll choose food grade solvent,

510
01:10:26.904 --> 01:10:29.574
which is really more for oils.

511
01:10:29.574 --> 01:10:30.744
And things of that nature.

512
01:10:32.100 --> 01:10:43.109
And so they choose food great solvent and then they get a mycotoxins test or microbial test when if ethanol doesn't kill.

513
01:10:43.109 --> 01:10:54.119
Microbes we've all been doing something wrong the last year with our hand sanitizer. So, and so those things are the categories in in lease.

514
01:10:54.119 --> 01:11:00.720
Are unclear. Okay, thank you. I've heard I think I've heard that before.

515
01:11:00.720 --> 01:11:04.050
But, thanks for raising that here that.

516
01:11:04.050 --> 01:11:10.560
Yeah, some of the things that you share it here are things we've heard from.

517
01:11:10.560 --> 01:11:19.319
From others as well, but it's good to hear coming straight from the labs. I mean, I think sometimes I get that information.

518
01:11:19.319 --> 01:11:24.029
2nd hand, so it's good to hear it from you directly. So thanks for that.

519
01:11:24.029 --> 01:11:37.409
We also talked about that particular instance in question 3, with how we guide our customers as lab, uh, to to meet the, the whack in terms of the testing requirements. Yeah.

520
01:11:37.409 --> 01:11:42.029
Yeah, so that's good. And, um.

521
01:11:42.029 --> 01:11:48.300
And I do remember the discussion around, you know, providing the offsite this visit. It's at no cost.

522
01:11:48.300 --> 01:11:51.539
Yeah, okay.

523
01:11:53.005 --> 01:12:07.404
You know, just to quickly add on that goes to reinforce this concept that we're not here to make ourselves rich. If we were, we'd be charging for every little thing and there'd be no negotiation. No volume discounts.

524
01:12:07.435 --> 01:12:22.225
None of that stuff. I mean, they've really got this backwards where we're were bending over backwards to try to help people with this stuff. And it's not about getting rich. If I wanted to get rich. I know the.

525
01:12:22.500 --> 01:12:28.829
There's a pretty clear pathway for that. If I didn't have morals, then I'd be a millionaire right now. Very easily.

526
01:12:30.210 --> 01:12:43.680
Wait on that note too. I just wanted to say that we, you know, but I think a couple of people have brought up a lot of times when our clients don't believe us we end up retesting it and we eat that cost.

527
01:12:43.680 --> 01:12:48.390

So, I mean, right there, but then 2 tests for the price of 1 really.

528
01:12:48.390 --> 01:12:54.090
Don't forget the have our phone call you had to hear their story how they, how we were wrong.

529
01:12:54.090 --> 01:13:06.149
Exactly, I mean, I don't it's a bit of adjust that. I say that, but in reality we all experienced this right? It's not just the 2nd test for free. It's.

530
01:13:06.149 --> 01:13:13.649
The call the email, the follow up the explanation on top of that. 2nd pretest that.

531
01:13:13.649 --> 01:13:22.350
You know, I think it's, it's, you know, when every with Jeff, when you say it, cause it takes you 10 minutes to run a sample.

532
01:13:22.350 --> 01:13:32.159
That is just the injection, right? There's prep there's talking to your tech to make sure they pull that sample again. It's prepping it again. It's running it again. It's.

533
01:13:32.159 --> 01:13:46.199
Comparing the 2nd, number you got to the 1st, number you got and then talking to the client about it. Um, you know, there's a lot of individual steps along the way that are not part of your standard workflow that involved that are involved in just re, testing something.

534
01:13:46.975 --> 01:14:01.074
You're absolutely right that 10 minutes. I'm talking just machine time that that's it. And, you know, to even add on, there's opportunity losses here. Where, if I'm doing a retest, then that retest is tying up the machine for what?

535
01:14:01.074 --> 01:14:14.635
Where I could be running an actual sample in that time slot and that that is exacerbated. Then if we go to a 25 minute run time, instead of a 10 minute run time now, all of a sudden those retests become a lot more expensive for me.

536
01:14:17.069 --> 01:14:18.925
Yeah, that's true. Yeah.

537
01:14:18.925 --> 01:14:24.295
And all the other things you talked about in the just the retesting often,

538
01:14:24.295 --> 01:14:28.194
there's a conversation just like,

539

01:14:28.404 --> 01:14:34.015
with me and the analyst and whatever like why what happened it's just real,

540
01:14:34.045 --> 01:14:34.465
you know,

541
01:14:34.465 --> 01:14:35.784
all that kind of stuff too.

542
01:14:35.784 --> 01:14:37.734
And there's that time as well.

543
01:14:37.979 --> 01:14:41.215
So, yeah, that's a great point.

544
01:14:41.215 --> 01:14:56.064
Every time, uh, you know, a complaint comes in, we're not only logging that and keeping track of it, but we're starting investigations based off of those complaints, you know, you have to introspect, every single time anybody. Oh, man. This is my data.

545
01:14:56.095 --> 01:15:08.935
Good. Now, you have to go back and and verify that everything was good for that sample and nothing got messed up you know, we're checking it anyways but hey, did we miss something here? And yeah, you're absolutely right. It's time.

546
01:15:09.390 --> 01:15:20.520
Time time time, so coming back to the lab to ask for that, follow up or challenge the results is, it sounds like it's.

547
01:15:20.520 --> 01:15:24.420
It can be pretty complicated and time consuming.

548
01:15:24.420 --> 01:15:28.380
And not not just as simple as saying, hey.

549
01:15:28.380 --> 01:15:31.859
We test this again. It's a lot more to it than that.

550
01:15:31.859 --> 01:15:36.090
Yep.

551
01:15:36.090 --> 01:15:41.100
Go ahead, somebody going to say something. I feel like I have just interrupted someone.

552
01:15:42.239 --> 01:15:52.079
Okay, sorry about that. All right we have 9 minutes left and I'm hoping we can we can conclude on time.

553
01:15:52.079 --> 01:15:56.100
But just wanted to open it up for any final thoughts.

554
01:15:56.100 --> 01:16:01.079
Um, anything beyond these questions that.

555
01:16:01.079 --> 01:16:08.340
You'd like to share with as a supplement to the 1st, deliberative dialogue or.

556
01:16:08.340 --> 01:16:13.710
Just in general, um, wanted to get a few minutes for that before we close.

557
01:16:13.710 --> 01:16:19.140
Oh, anything else that has.

558
01:16:27.895 --> 01:16:32.694
I mean, yes, but not off the top of my head. No.

559
01:16:33.114 --> 01:16:43.375
You know, I, I think we've, we've covered a lot of ground here and of course, there's more, um, we've only brushed the surface with all this stuff.

560
01:16:43.465 --> 01:16:55.854
Um, and I think, you know, I don't know about the rest of the panelists here, but, you know, continuing this conversation, uh, you know, maybe a brainstorming coming up with additional questions.

561
01:16:55.854 --> 01:17:06.385
And then having additional sessions, I'd be perfectly interested in that. Um, I don't know about others. I know it takes a lot of time uh.

562
01:17:06.779 --> 01:17:13.409
But again, I don't think we've really covered and there's so much more that we could talk about.

563
01:17:13.409 --> 01:17:16.800
Absolutely.

564
01:17:20.185 --> 01:17:34.494
Yeah, I mean that we could talk about and I would certainly be happy to to do it again in the future. But yeah, I mean, I

think we did cover a lot of good ground and I know we were giving you guys a lot to think about.

565
01:17:35.604 --> 01:17:37.555
And I certainly appreciate the opportunity.

566
01:17:38.880 --> 01:17:46.020
You know, for this new way of trying to talk about these issues. So it was a great idea.

567
01:17:46.020 --> 01:17:56.159
Oh, go ahead. And I'm glad that you found value in it. I know I certainly did and and really appreciate it. Yeah. Appreciate it all the panels very much.

568
01:17:56.159 --> 01:18:02.850
Because I think, you know, this was designed to sort of begin to uncertain, I guess.

569
01:18:02.850 --> 01:18:07.199
And flush out some of.

570
01:18:07.199 --> 01:18:18.090
Someone said the things that we think about that, we don't necessarily bring to listen and learn sessions because they're so concentrated on.

571
01:18:18.090 --> 01:18:23.430
Here's a set of Jeff conceptual rules and really? This is what we're thinking about here.

572
01:18:23.430 --> 01:18:27.869
And I think with the quality control rules and how to follow up listen and learn.

573
01:18:27.869 --> 01:18:35.520
That was more about if we, if we go forward with this, what would mitigation look like? So that was around cost reduction.

574
01:18:35.520 --> 01:18:38.520
That's when we came up with that phase and plan.

575
01:18:38.520 --> 01:18:43.649
Um, initially to try to just bring pesticides and having metals in an incremental way.

576
01:18:43.649 --> 01:18:52.529
And I think those were good conversations. I think people were starting to kind of have these ideas about what we could do. And I think.

577
01:18:52.529 --> 01:19:01.260
We're just starting a busy for everyone, and we didn't have a follow up to that. Um, listen and learn session. But I think.

578
01:19:01.260 --> 01:19:05.909
Just some of what I've heard in these deliberate dialogue sessions.

579
01:19:05.909 --> 01:19:17.189
Really can inform what we do in terms of role and policy development and the future for sure. Um, but I also think it's really important to bring.

580
01:19:17.189 --> 01:19:25.979
The consumers processors and producers and labs together to talk through these things because I don't know that we've ever done this before. In this way.

581
01:19:25.979 --> 01:19:36.029
So, I think it's just, it's opened the door to, um, a lot more discussion in the future. And I think it's also proven that, you know, we can do that.

582
01:19:36.029 --> 01:19:40.140
And we can be.

583
01:19:40.140 --> 01:19:44.399
Be good to each other to.

584
01:19:44.399 --> 01:19:50.250
So, yes, we want to continue to have these and then there's a few other.

585
01:19:50.250 --> 01:19:59.369
Um, engagement models that I want to bring to rules work and policy development in the future that will engage even more people.

586
01:19:59.369 --> 01:20:05.850
And really not be based so much around a specific topic. And I think this was largely around.

587
01:20:05.850 --> 01:20:10.560
Quality control, but I think there are general topics that we can bring to the.

588
01:20:10.560 --> 01:20:16.229
The form and really get some good thinking from the entire community.

589
01:20:16.229 --> 01:20:21.539

Um, you know, really with the regulators there, just as a facilitator. So I think there's.

590
01:20:21.539 --> 01:20:35.515
A lot of room for us to do. Good work there too. Okay. So, once again, I I know the last time we closed. Uh, I was in a dark house and not able to.

591
01:20:38.100 --> 01:20:43.050
So, I like to think mother nature for not being sold me in this time around.

592
01:20:43.050 --> 01:20:56.010
Um, but thank you for your the gift of your time today and, and, uh, the last panel, um, I, I know you are busy people with lots of things going on, but your thoughts and perspectives.

593
01:20:56.010 --> 01:21:00.420
Are really meaningful to the agency and certainly to me personally, so.

594
01:21:00.420 --> 01:21:05.069
I appreciate all the timing you've shared with us to, to make this successful.

595
01:21:05.069 --> 01:21:14.909
So next steps for me, at this point is to get this recording up on our outward facing website. So, I don't know if you've noticed I don't think I.

596
01:21:14.909 --> 01:21:21.569
I wanted to wait until we had all the dialogues uploaded on our outward facing website, but.

597
01:21:21.569 --> 01:21:24.600
They are there and now this 1 will join the.

598
01:21:24.600 --> 01:21:29.039
Find a collection of deliberative dialogues we've had to this point.

599
01:21:29.039 --> 01:21:34.500
And then the agency is going to start re, drafting.

600
01:21:34.500 --> 01:21:40.890
The quality control roles based on what we learned in these delivered dialog sessions.

601
01:21:40.890 --> 01:21:45.659
And also, kinda some forward thinking about what leaf might look like.

602

01:21:45.659 --> 01:21:51.600
Or in the alternative, what life might look like without leap in the future.

603
01:21:51.600 --> 01:21:57.449
Um, so we wanted to do some sort of, out of the box thinking.

604
01:21:57.449 --> 01:22:05.850
On that, and in terms of following through with the quality control rules.

605
01:22:05.850 --> 01:22:11.939
There's this window of time that we need to file a supplemental 1 on 2.

606
01:22:11.939 --> 01:22:17.189
And everybody knows what that is, right before I just assume that, you know what that is.

607
01:22:17.189 --> 01:22:28.020
So, it's the rule proposal, right? There's a window of time that we need to file that. Otherwise the original supplemental 1 or 2 expires. However.

608
01:22:28.020 --> 01:22:32.100
We still have the Sierra 1 on 1 in place that keeps the rulemaking open.

609
01:22:32.100 --> 01:22:39.359
So, there's some additional work that we need to do in terms of developing the 2nd, a new proposal, right?

610
01:22:39.359 --> 01:22:45.180
And then doing the kind of economic analysis that we're required to do regulatory fairness back.

611
01:22:45.180 --> 01:22:53.130
Um, at this point, that supplemental Sierra 1 or 2 is scheduled to expire, mid April.

612
01:22:53.130 --> 01:23:07.229
Um, and I think it's being a little, overly optimistic that we'll have all that work done by mid April. I mean, in all honesty doing another small business economic impact statement is.

613
01:23:07.229 --> 01:23:10.409
Uh, quite a bit of work and we need to.

614
01:23:10.409 --> 01:23:14.670
Contract with an economy us to do that work since we don't have 1 on staff.

615

01:23:14.670 --> 01:23:20.159
Um, so I would assume at early.

616
01:23:20.159 --> 01:23:24.779
I want to say June, July for.

617
01:23:24.779 --> 01:23:29.760
A new 1 out too, since we wouldn't be supplementing anything at this point.

618
01:23:29.760 --> 01:23:36.090
So, stay tuned for that work and I will reach out to all of you as we.

619
01:23:36.090 --> 01:23:41.100
As we move towards developing that a new proposal.

620
01:23:41.100 --> 01:23:46.529
For your feedback, and then I think, well, you know, of course, we're going to do listening sessions around.

621
01:23:46.529 --> 01:23:53.609
Of any new proposal, or even in concept, just like we did with with this original rule set.

622
01:23:54.840 --> 01:23:59.789
Moving forward, so any questions on process on that.

623
01:24:02.369 --> 01:24:09.539
You know, navigating the administrative procedures act is is not everybody's cup of tea and I appreciate.

624
01:24:09.539 --> 01:24:23.729
Been doing it on time so I've got to remember that everybody's got a crash course lately where they think actually, we're.

625
01:24:23.729 --> 01:24:37.079
Preparing to do, like a video series that you know about how that all works that we're why I put up on our outward facing 1 page as well. So there'll be there is a resource for folks moving into the future. So.

626
01:24:37.079 --> 01:24:43.590
I kind of like to call it rule making revealed, but we'll see we'll see if I went on that. Maybe not.

627
01:24:46.199 --> 01:24:49.739
All right, well, anything else before we close for today.

628

01:24:51.510 --> 01:24:58.890
All right, well, thanks again to all of you for your great contributions to this process and your.

629
01:24:58.890 --> 01:25:04.229
You're really meaningful feedback and thoughts about moving these things forward. It's.

630
01:25:04.229 --> 01:25:09.060
Greatly appreciate it and I very much look forward to working with you all in the future.

631
01:25:09.060 --> 01:25:13.289
Thanks for asking us. Yeah, thank you. Thank you.

632
01:25:13.289 --> 01:25:25.560
Kathy, I like I've said in the past, uh, personally, I don't envy you at all.

633
01:25:25.560 --> 01:25:31.529
Just turn the recording off. I don't.

634
01:25:31.529 --> 01:25:36.210
Okay, just that is a common sentiment of folks and I guess that's why.

635
01:25:36.210 --> 01:25:50.909
But so I'm not necessarily doing the rules for cannabis anymore. I'm managing the rules program for right. But I still am very involved in cannabis just rules in general just because.

636
01:25:50.909 --> 01:25:55.199
You know, it's hard to bring a rules coordinator into this work that.

637
01:25:55.199 --> 01:26:07.020
Has not done cannabis roles before and by virtue of the, just the, it being so new, in terms of statutory and regulatory construction. Um, yeah, it's.

638
01:26:07.020 --> 01:26:10.649
Multi dimensional and.

639
01:26:10.649 --> 01:26:16.109
If you like, you guys have noticed, CP is not a scientific agency.

640
01:26:16.109 --> 01:26:23.189
And there's this whole, you know, part of cannabis regulation that is very scientific.

641

01:26:24.390 --> 01:26:28.140
Oh, I'm not sure that the folks who, uh.

642
01:26:28.140 --> 01:26:36.090
Put together i500 to we're necessarily thinking a.