

NOTICE OF ADOPTION OF POLICY STATEMENT

Title of Policy Statement: Transfer of Wet Flower from Licensed Cannabis Producers to Licensed Cannabis Processor – Policy Statement Number PS22-03.

Issuing Entity: Washington State Liquor and Cannabis Board

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

Effective Date: July 20, 2022

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WSR 22-16-004



Policy Statement

Title:	Transfer of Wet Flower from Licensed CannabisNumber: PS 22-03Producers to Licensed Cannabis Processors
References:	RCW 69.50.325
	<u>RCW 69.50.342</u>
	<u>WAC 314-55-075</u>
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Effective Date	<i>:</i> July 20, 2022
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RCW 34.05.230 – Interpretive and policy statements

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

INTRODUCTION

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

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

POLICY STATEMENT

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

STATUTORY AUTHORITY

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

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

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

REGULATORY AUTHORITY

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

BACKGROUND AND ANALYSIS

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

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

CONCLUSION

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