

Recreational Marijuana Program

Compliance Education Bulletin

Changes for Artificially Derived Cannabinoid Products Take Effect July 1 – Labeling Requirements, New Limits

CE2022-02 June 14, 2022

The Oregon Liquor and Cannabis Commission (OLCC) is providing the following information to retailer, processor, and wholesaler licensees.

This education bulletin is part of OLCC's compliance education. <u>It is important that you read it and understand it</u>. If you do not understand it, please contact the OLCC for help.

Marijuana licensees are responsible for reading, understanding, and complying with all applicable rules. This bulletin does not supersede any OLCC rule. Failure to understand and follow the rules referenced in this bulletin *could result in an OLCC administrative violation and/or civil penalty*.

Compliance education bulletin CE2022-02 covers the following issues:

- New labeling requirements for products containing artificially derived cannabinoids;
- New limits on which artificially derived cannabinoids can be sold; and
- Steps licensees should take to ensure compliance with the rules.

Background

On December 28, 2021, the OLCC adopted new marijuana rules in OAR <u>Chapter 845</u>, <u>Divisions 25 and 26</u>. The rules place limits on the use of artificially derived cannabinoids in consumer products and create labeling requirements for any products containing artificially derived cannabinoids.

On and after July 1, 2022, retailers may not sell any product containing an artificially derived cannabinoid unless it has an OLCC-approved label that says "Artificially Derived Cannabinoid" in the product identity. Additionally, all products containing artificially derived cannabinoids must meet the requirements in OAR 845-025-1310. This means that products containing artificially derived Delta-8-THC can no longer be sold starting July 1, 2022.

Artificially Derived Cannabinoids That Can Be Sold

"Artificially derived cannabinoid" refers to a cannabinoid that is made by chemical conversion from another substance extracted from cannabis. It does not include substances made by decarboxylation without adding chemical reagents or catalysts. The two most common artificially derived cannabinoids are CBN (cannabinol) and Delta-8-THC, both of which are commonly made from CBD (cannabidiol).

Beginning July 1, 2022, an OLCC-licensed marijuana retailer cannot sell any product that contains artificially derived cannabinoids unless the product complies with OAR <u>845-025-1310</u>. This rule allows

products that contain artificially derived cannabinoids to be sold if the product is not intended for inhalation and the artificially-derived cannabinoid:

- Is not intoxicating or impairing; and
- Also occurs naturally in cannabis (as established by at least three peer-reviewed publications);
- Was manufactured in a facility with an ODA food safety license; and
- Was manufactured by an OLCC-licensed processor or ODA-licensed hemp handler; and
- The manufacturer has gone through one of the ordinary regulatory processes for introducing a novel substance into foods or dietary supplements (GRAS determination or New Dietary Ingredient Notification).

Additionally, from July 1, 2022 through June 30, 2023, this rule allows products containing artificially derived CBN to continue to be sold as long as the product is not intended for inhalation and the CBN was manufactured at a facility with an ODA food safety license by an OLCC-licensed processor or an ODA-licensed hemp handler.

At this time, CBN is the only artificially derived cannabinoid that can be sold in consumer products. OLCC has not yet been notified of any artificially derived cannabinoid that has met the New Dietary Ingredient or GRAS standard. If you are using another artificially derived cannabinoid that has met this requirement, you will need to provide documentation of that on an Artificially Derived Cannabinoid Label Application Form when submitting your labels for approval.

These limits only apply to cannabinoids that are derived artificially from a cannabis extract or concentrate (from hemp or marijuana). Naturally-occurring cannabinoids that are obtained by ordinary extraction processes that do not cause chemical conversions may continue to be sold. For example, naturally-occurring CBG extracted from high-CBG hemp flower is not an artificially derived cannabinoid and is not limited by this rule.

Labeling Requirements

On and after July 1, 2022, all marijuana and hemp items that contain artificially derived CBN, or any other artificially derived cannabinoid, must have a label that complies with the requirements of OAR 845-025-7145 and is accompanied by the materials required by OAR 845-025-7160, including the Artificially Derived Cannabinoid Label Application Form.

Licensees can spot labels that are compliant with the new labeling requirements by reviewing the front of the label and looking for the words "<u>artificially derived cannabinoid</u>" (or a similar variation) and looking for the same language in the ingredient listing (e.g. "artificially derived cannabinol (CBN) hemp extract"). More information and examples can be found in Compliance Bulletin <u>CE2021-04</u>.

Note that a generic label may no longer be used for marijuana and hemp items that contain artificially derived cannabinoids that are sold or transferred on or after July 1, 2022.

Licensees can update their existing approved labels by returning a completed change-request-form to marijuana.packaging@oregon.gov. The \$25 fee is temporarily waived due to COVID and the form must be signed by the licensee or an authorized representative of the licensee.

Non-compliant labels may be updated with stickers after the label has been resubmitted and preapproved by the OLCC. The stickers may be provided to licensees in possession of the products. The stickering must remain in compliance with the OLCC's packaging and labeling rules in OAR 845-025-7000 through 7190. If you have questions about how to update your labels or whether a particular label is compliant with the new rules, email marijuana.packaging@oregon.gov.

Steps Licensees Need to Take to Remain Compliant

Retailers:

Prior to July 1, 2022, review your inventory for products that are labeled as containing Delta-8-THC or CBN. Any product containing artificially derived CBN without a compliant label cannot be sold or transferred on and after July 1, 2022. Keep in mind that marijuana and hemp items with artificially derived cannabinoids that are intended for inhalation cannot be sold on or after July 1, 2022 (e.g. a vape cartridge).

For Delta-8-THC products: OLCC is not aware of any products containing significant amounts of naturally-occurring Delta-8-THC. Retailers should remove these products from the shelf by July 1, 2022. Retailers may choose to destroy these items, or contact the manufacturer or distributor to find out if they will accept a return of these items prior to July 1, 2022.

For CBN products: Product manufacturers have indicated to OLCC that the vast majority of products labeled as containing CBN are using artificially derived CBN. Check whether these products have an approved label that complies with OAR <u>845-025-7145</u> by reviewing the front of the label and looking for the words "artificially derived cannabinoid" (or a similar variation). If the product does not have the words "artificially derived cannabinoid" in the product identity, contact the manufacturer to confirm whether the CBN in the product is artificially derived.

Manufacturers or distributors may provide stickers to update the label and bring it into compliance, with pre-approval from OLCC. Manufacturers or distributors of items without compliant labels may also accept returns of these items prior to July 1, 2022. If the manufacturer or distributor does not provide compliant labeling or accept returns of the items, you may choose to destroy the items.

Processors

Any processor that processes products containing artificially derived cannabinoids must ensure these products comply with OAR <u>845-025-1310</u> prior to July 1, 2022. For products containing artificially derived CBN, this means using only CBN that was manufactured at a facility with an ODA food safety license by an OLCC-licensed processor or an ODA-licensed hemp handler. **Keep in mind that marijuana** and hemp items with artificially derived cannabinoids that are intended for inhalation cannot be sold on or after July 1, 2022 (e.g. a vape cartridge).

A processor that is using an artificially derived cannabinoid other than CBN must provide OLCC with documentation that the cannabinoid meets the requirements of OAR <u>845-025-1310(1)</u>; this documentation may be emailed to <u>marijuana.packaging@oregon.gov</u>.

Any product containing an artificially derived cannabinoid must have an updated label pre-approved by OLCC. Beginning July 1, 2022, products containing artificially derived cannabinoids cannot be transferred

without an approved label that complies with OAR <u>845-025-7145</u>. If you have questions about how to update your labels, email <u>marijuana.packaging@oregon.gov</u>.

If you have manufactured products that are currently at wholesaler or retailer licenses that need to be re-labeled to comply with OAR <u>845-025-7145</u>, you should have a plan for addressing those products. You may accept returns of these products to apply new labels, provide the wholesaler or retailer with preapproved stickers to update the labels, or you may request that the wholesaler or retailer destroy products without compliant labels.

Wholesalers:

Prior to July 1, 2022, review your inventory for products that are labeled as containing Delta-8-THC or CBN. Any product containing artificially derived CBN without a compliant label cannot be sold or transferred on and after July 1, 2022. Keep in mind that marijuana and hemp items with artificially derived cannabinoids that are intended for inhalation cannot be sold on or after July 1, 2022 (e.g. a vape cartridge).

For Delta-8-THC products: OLCC is not aware of any products containing significant amounts of naturally-occurring Delta-8-THC. Wholesalers should have a plan in place to make sure they do not transfer these products on or after July 1, 2022. Wholesalers may choose to destroy these items, or contact the manufacturer to find out if they will accept a return of these items prior to July 1, 2022.

For CBN products: Product manufacturers have indicated to OLCC that the vast majority of products labeled as containing CBN are using artificially derived CBN. Check whether these products have an approved label that complies with OAR <u>845-025-7145</u> by reviewing the front of the label and looking for the words "artificially derived cannabinoid" (or a similar variation). If the product does not have the words "artificially derived cannabinoid" in the product identity, contact the manufacturer to confirm whether the CBN in the product is artificially derived.

Manufacturers may provide stickers to update the label and bring it into compliance, with pre-approval from OLCC. Manufacturers of items without compliant labels may also accept returns of these items prior to July 1, 2022. If the manufacturer does not provide compliant labeling or accept returns of the items, you may choose to destroy the items.

If you are responsible for the packaging and labeling of products containing artificially derived CBN or other artificially derived cannabinoids, you will need to work with OLCC to update the labels to comply with OAR <u>845-025-7145</u>. If you have questions about how to update your labels, email <u>marijuana.packaging@oregon.gov</u>.

If you have distributed products that need to be re-labeled to comply with OAR <u>845-025-7145</u>, you should work with the manufacturer and have a plan for addressing those products. You may accept returns of these products to apply new labels, provide the retailer with pre-approved stickers to update the labels, or you may request that the retailer destroy products without compliant labels.

Resources

- Compliance Bulletin CE2021-04 provides guidance on the updated rules;
- Rule Update Series Session 1: Retailers, Sales Limits, and Higher-THC Edibles (PDF): Slides 32-39 cover artificially derived cannabinoids for retailers.

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• Rule Update Series Session 2: Producers, Processors, and Transfer Privileges (PDF): Slides 33-41 cover artificially derived cannabinoids for processors.

Questions related to artificially derived cannabinoids can be sent to olcc.hemp@oregon.gov.

Questions related to labeling can be sent to marijuana.packaging@oregon.gov.

Questions related to testing can be sent to olcc.labs@oregon.gov.