

Recreational Marijuana Program

Compliance Education Bulletin

Bulletin CE2019-02

March 1, 2019

The Oregon Liquor Control Commission is providing the following information to: recreational marijuana licensees.

The bulletin is part of OLCC's compliance education. It is important that you read it, and understand it. If you don't understand it please contact the OLCC for help.

Failure to understand and follow the information contained in this bulletin *could result in an OLCC rules compliance violation affecting your ability to work or operate your business.*

Bulletin CE2019-02 covers the following issues:

- **Transferring industrial hemp and hemp items into OLCC licensed marijuana system**
- **Hemp Category Guide Update**
- **OLCC's Guide for Tracking Hemp in Metrc**

OLCC Commission Approves Rules to implement 2018 Hemp Legislation

On February 21, 2019, the Commission adopted rules to implement 2018 legislation related to hemp and marijuana. These rules only affect hemp entering the OLCC system for sale at a Recreational Marijuana Retailer. These rule amendments are effective on March 1, 2019 and make substantial changes to the way that industrial hemp and hemp items can enter the OLCC-licensed marijuana system. Industrial hemp and hemp items will still only be able to be transferred in by businesses that have a hemp registration issued by the Oregon Department of Agriculture (ODA).

Summary of Significant Changes

- All industrial hemp and hemp items will be entered into Metrc by the ODA hemp registrant.
- All industrial hemp and hemp items must be tested by an OLCC-licensed laboratory prior to being transferred to an OLCC licensee.
- More types of consumer-ready hemp products can be transferred into the OLCC-licensed marijuana system. Previously, only industrial hemp concentrates, industrial hemp extracts, and raw industrial hemp were allowed to be transferred in.
- Hemp items (not including unprocessed or minimally-processed industrial hemp) can be transferred directly to an OLCC-licensed wholesaler or retailer, as well as to an OLCC-licensed processor with an industrial hemp endorsement. Previously, transfers were only allowed to an OLCC-licensed processor with an industrial hemp endorsement.
- There are explicit THC concentration limits for industrial hemp and hemp items being transferred to OLCC licensees.

Impact on Processor, Wholesaler, and Retailer Licensees

In addition to Processors, Wholesaler and Retail licensees are now able to accept compliant hemp products into the regulated cannabis system under specific conditions.

Processors

- Still need to have an Industrial Hemp Endorsement approved by OLCC to receive or process hemp or hemp items.
- All hemp and hemp items are now received with a Metrc manifest.
- Hemp and hemp items are now required to be tested by the ODA registrant before they are received by the processor. The processor no longer needs to order a potency test on hemp concentrates or extracts prior to transferring or further processing the concentrate or extract. Any product that the processor makes from the hemp or hemp items must still comply with all testing requirements.
- All hemp or hemp items received by the processor must be within the new THC concentration limits for hemp and hemp items.
- All hemp items that the processor processes for sale to consumers or patients must be within the new THC concentration limits for hemp items. A hemp item that exceeds these new limits that was processed prior to March 1, 2019 may be sold by a retailer until December 31, 2019.
- A processor that processes industrial hemp should check with ODA to find out whether they are required to register as a hemp handler with ODA. A processor that is also registered as a hemp handler must continue to comply with all OLCC rules; the hemp handler registration does not make the processor eligible to transfer hemp or hemp items anywhere other than to an OLCC licensed premises. A processor that is also registered as a hemp handler must still track all hemp and hemp items in Metrc and may only receive hemp or hemp items as explicitly allowed by OLCC rules.

Wholesalers

- May receive hemp items with a Metrc manifest directly from a Commission-certified hemp handler. When receiving hemp items, the wholesaler will need to verify that the item has passed the appropriate testing and is within the new THC concentration limits for hemp items. Hemp items for ultimate sale to a consumer, patient, or designated primary caregiver must be packaged and labeled in compliance with OLCC rules.
- May receive “harvested industrial hemp” (hemp that is unprocessed or minimally processed for purpose of transfer or storage) with a Metrc manifest directly from a Commission-certified hemp handler or Commission-certified hemp grower.
- May transfer hemp items to a processor with an industrial hemp endorsement or to a wholesaler or retailer.
- May transfer harvested industrial hemp to a processor with an industrial hemp endorsement or to a wholesaler.
- May **not** transfer harvested industrial hemp to a retailer because harvested industrial hemp is not an item that retailers have the privilege to sell. Ultimately, processors are the only licensee with the

privilege to process harvested industrial hemp into a hemp item or marijuana item that may be sold by a retailer.

- May **not** create usable hemp from “harvested industrial hemp” (hemp that is unprocessed or minimally processed for purpose of transfer or storage)

Retailers

- May receive hemp items, including “usable hemp” with a Metrc manifest directly from a Commission-certified hemp handler.
- When receiving hemp items, will need to verify that the item has passed the appropriate testing, is within the new THC concentration limits for hemp items, and is packaged and labeled in compliance with OLCC rules.
- For hemp items manufactured on or after March 1, 2019 or received from a Commission-certified hemp handler, a retailer may only sell the hemp item if it is within the new THC concentration limits for hemp items. Hemp items manufactured by an OLCC processor prior to March 1, 2019 that exceed the new limits may continue to be sold until December 31, 2019.
- May **not** receive “harvested industrial hemp” (hemp that is unprocessed or minimally processed for purpose of transfer or storage).

Impact on OLCC Recreational Marijuana Producers

Producers

- This rule change does **not** affect producers.
- The producer license does **not** include the privilege to have industrial hemp or hemp items present on the licensed premises. Allowing industrial hemp or hemp items on a marijuana licensed premises other than as allowed by rule is a Category I violation.
- A producer may only be located on the same tax lot as an ODA-registered industrial hemp grower if the producer has a control plan approved by OLCC showing how the hemp registered site will be separated from the marijuana licensed premises; the control plan must indicate how the licensee will prevent transfer of industrial hemp to the licensed premises. This plan must be approved before the marijuana license and hemp registration can be located on the same tax lot. Registering an industrial hemp grower site on the same tax lot as a licensed marijuana producer prior to receiving approval of a control plan is potential grounds to revoke the producer license.

Impact on OLCC Recreational Marijuana Labs

Laboratories

- When sampling and testing products that a Commission-certified hemp grower or Commission-certified hemp handler has entered into Metrc, a laboratory licensee must comply with the same Metrc tracking requirements as when sampling from an OLCC licensee and must record the results of any compliance test in Metrc.

Information for obtaining an OLCC Hemp Endorsement can be found [here](#) on the OLCC marijuana website under the Hemp section.

Hemp Categories Updated in OLCC Guide

The new OLCC hemp rules have resulted in changes to how hemp products are categorized in the OLCC's Cannabis Tracking System. The OLCC's [Recreational Marijuana System Product and Tax Categorization Guide](#) has been updated to reflect these changes. The guide can be downloaded from the [OLCC's marijuana website](#), under the Cannabis Tracking System section.

The distinction between Industrial Hemp Commodity or Product (for human consumption) and Industrial Hemp Commodity or Product (not for human consumption), has been eliminated; the category name is being simplified to **Hemp Cannabinoid Product**.

The category Industrial Hemp is being changed to **Harvested Industrial Hemp** to indicate industrial hemp that has been harvested *but has not been processed in any form or has been minimally processed for purposes of transfer or storage*.

Processed in the context of hemp is as defined by the Oregon Department of Agriculture – processing of hemp would include trimming.

A new product category of **Usable Hemp** is being created to categorize the flower or leaves of hemp or processed hemp stalks.

Action may be required on your part if the item you have in your inventory should be categorized as Usable Hemp. If that is the case you may create a new item in Metrc with the correct category and create a new tagged package in Metrc from the package of "Harvested Industrial Hemp."

You can download the latest OLCC's *Recreational Marijuana System Product and Tax Categorization Guide* [here](#).

OLCC's Guide for Tracking Hemp in Metrc

The OLCC has created a guide for [Tracking Hemp for Sale at OLCC licensed Recreational Marijuana Retailers](#).

The Guide covers: how to bring hemp into the recreational marijuana system, creating hemp packages (for tracking) in Metrc, and testing requirements.

The Guide does not cover industrial hemp requirements outside of the OLCC recreational marijuana system.

You can download the Guide for Tracking Hemp for Sale at OLCC licensed Recreational Marijuana Retailers [here](#) from the OLCC marijuana website under the Cannabis Tracking System section.

OLCC Rules impacting this issue:

[OAR 845-025-1015](#), [OAR 845-025-1060](#), [OAR 845-025-1335](#), [OAR 845-025-2700](#), [OAR 845-025-2705](#), [OAR 845-025-2750](#), [OAR 845-025-2755](#), [OAR 845-025-2760](#), [OAR 845-025-2775](#), [OAR 845-025-2785](#), [OAR 845-025-2800](#), [OAR 845-025-3210](#), [OAR 845-025-3215](#), [OAR 845-025-3285](#), [OAR 845-025-3500](#), [OAR 845-025-8520](#), [OAR 845-025-8590](#)

[See Division 25, Chapter 845 of Oregon Administrative Rules](#)