



COMPLIANCE BEST PRACTICES

February 23, 2023

This document aims to provide clarification and best practice information on several common topics. It will be updated as needed to add additional information.

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**New since the September 28, 2022, version*

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Marijuana Product Destruction

When destroying product, documentation of the destruction, including the full Metrc tag number, the reason for destruction, and the method of destruction, is required to be logged on the waste/destruction log. Licensees should keep photos or video of the marijuana product in its destroyed state, and photos or video of all Metrc tag numbers that correlate with the product being destroyed.

Once product has been destroyed, the package(s) should be adjusted down to 0 and finished in the Statewide Monitoring System (Metrc). When making the adjustments, please use “waste” as the reason code and include a note that indicates the reason for destruction and the date it was completed.

Evidence of destruction must be made available to the CRA upon request, but you are not required to send destruction information unless it is requested.

Please note that products on administrative hold will require agency approval prior to destruction. Please email CRA-Compliance@michigan.gov to request hold removal for destruction.

When disposing of marijuana product, please reference this [bulletin](#).

Video and Photo Evidence of Destruction

When collecting video evidence to demonstrate the destruction of product, it is essential that the CRA can clearly view and observe the actions taken by the licensee. To accomplish this, there are several things to keep in mind:

1. Ensure that the destruction is taking place where there is a clear camera view. The frame should be free of obstructions, and all staff completing the destruction should be behind the product so as not to obstruct the view of the product.
2. The product should be shown in its storage container before any product is removed.
3. The Metrc tag number should be visible and if possible, held up to the camera.
4. The weight or count should be shown prior to destruction, either by weighing the product or by placing the individual items in groups (i.e., 10, 20, etc.) to clearly demonstrate the number of products on hand that is being destroyed.

All questions related to marijuana product destruction should be directed to CRA-Compliance@michigan.gov.

All questions related to compliant waste practices should be directed to CRA-Enforcement@Michigan.gov.

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Labeling Products for Transfer

All products transferred between marijuana businesses must be traceable in Metrc in compliance with the administrative rules. Product traceability is reliant on correct product labeling.

Package tag - an RFID tag supplied from Metrc for the purpose of identifying a package containing a marijuana product. The industry has coined the term “transfer tag.” In this document, we will use package/transfer tag. Package/transfer tags may only be used once and for the initially created to hold.

Source package tag - the first tag created for a marijuana product, for example, the package containing the harvest batch. This number is not required to be on the package.

Example:

Every item (brownie, cookie, vape, wax) created in Figure 1 below requires a new package/transfer tag, which will carry the source package in its history, ensuring accurate product tracking throughout the supply chain.

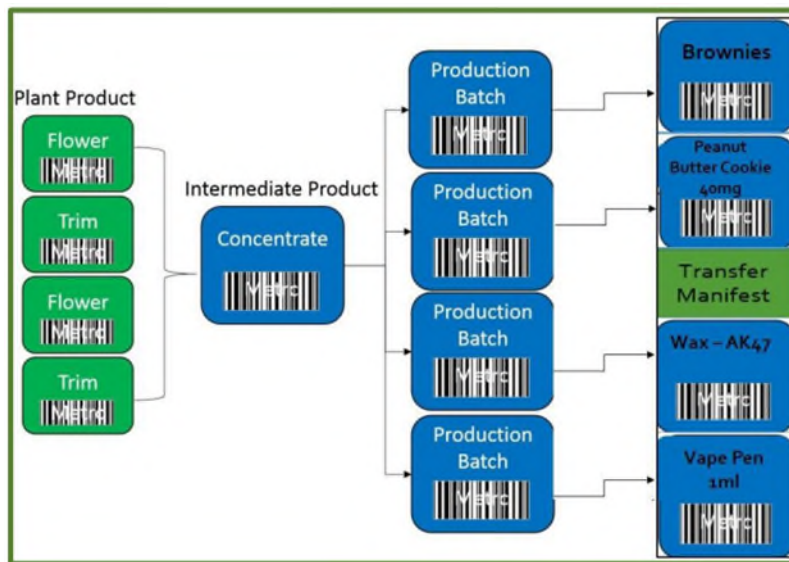


Figure 1. Product creation from flower to finished product

Labeling Requirements Cultivator to Cultivator Transfer

1. Business or trade name
2. License number
3. Package/transfer tag assigned by Metrc
4. Name of the strain
5. Date of harvest
6. Seed strain
7. Universal symbol

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Labeling Requirements Producer to Producer Transfer

1. Business or trade name
2. License number
3. Package/transfer tag assigned by Metrc
4. Universal symbol

Labeling Requirements Cultivator or Producer to Sales Location

1. Business or trade name
2. License number
3. Package/transfer tag assigned by Metrc
4. The name and the marijuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marijuana product.
5. Date of harvest, if applicable.
6. Name of strain, if applicable.
7. Net weight in the United States customary or metric units.
8. Concentration of tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
9. Activation time is expressed in words or through a pictogram.
10. Distinct or unique name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.
11. The universal symbol for marijuana product published on the agency's website.
12. A warning that includes all the following statements:
 - (i) "It is illegal to drive a motor vehicle while under the influence of marijuana."
 - (ii) "National Poison Control Center 1-800-222-1222."
 - (iii) For products being sold by a marijuana facility that exceeds the maximum THC levels allowed for products sold under MRTMA, "For use by registered qualifying patients only. Keep out of reach of children."
 - (iv) For all other products, "For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children."
 - (v) In clearly legible type and surrounded by a continuous heavy line: "WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL PROBLEMS FOR THE CHILD."

Changing Product Categories using Production Batches

A production batch is the compliant way of creating new products that change categories. For example, you cannot create a package of vape carts directly from shake/trim; you must first create a new production batch of oil and then pull from the production batch of oil to make the vape carts. Refer to Figure 1 above for an illustration.

To create an intermediate product – like a production batch of concentrate – you will pull from a package or packages of raw product to create the new package for the new concentrate. It is imperative that the weights used in the packages are accurate and the CRA can transparently see what and how much you are using. You may then pull product out of that production batch to create additional production batches (e.g., infused edible products). Each new production

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batch will have a new package tag and be marked as a production batch. If these production batches are final products, packages will be created from them for transfer to the sales locations and distribution to patients or consumers.

Compliant Creation of Concentrates from Raw Plant Material

Raw Plant Material to Distillate

Every process should result in a new production batch. When creating a new package of concentrate, all packages of flower which were combined in the production batch must be reflected in the package of concentrate. By the end of each business day products are required to be entered into Metrc to reflect what they are for example crude, shatter, distillate, etc. and their current weight.

Example:

If 4 packages of flower/bud are processed on Monday into crude oil, when the extraction is done and the yield of the process lot/batch is known, you will create the production batch in Metrc pulling from the 4 packages of flower/bud. This step is critical to ensure that the physical product which was combined is electronically combined to transparently show what packages were used in the creation of the new product.

If on Tuesday, the crude oil is refined twice, then you would create a new production batch for the refined oil. This is an intermediate step but should be reflected in Metrc since the product is no longer crude oil but has now been refined.

If then on Wednesday, the refined oil is winterized, and the product is in its final state, by end of the business day, a new production batch should be created to reflect the new distillate that was created and its associated, final, weight.

Licensees can contact the CRA Operations Support Section at CRA-Compliance@michigan.gov with any compliance questions regarding this process.

Raw Plant Material to BHO

Example:

If we take 5 packages of flower/bud on Monday and do a Butane extraction which takes 12 hours, by the end of the business day the production batch should be created in Metrc once you have the total weight of the yield to reflect the BHO product that was created.

If more Butane needs to be burned off on Tuesday, then a new production batch package will be created to accurately reflect the additional process.

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Metric Tags

Metric tags are single-use and cannot be reassigned in the statewide monitoring system once assigned to a package. To prohibit unlicensed businesses from obtaining Metric tags, the tags should be destroyed – preferably by shredding – so they are made unusable.

Inhalable Compound Concentrate Products

Inhalable compound concentrate products (moonrocks, tarantulas, infused pre-rolls, etc.) are considered concentrates for purposes of determining purchasing limits, transfer limits, trade, and internal product sample allotments. The full weight of the product counts toward these limits/allotments.

R 420.206(14) states: When combining marijuana and marijuana product into another marijuana product, each form of marijuana and marijuana product being combined must have passing safety compliance test results in the statewide monitoring system prior to the creation of the new combined product.

This means each component of an inhalable compound concentrate product **must** have passing safety compliance test results in Metric **prior** to creating the combined product. The combined product must then be tested in final form in compliance with R 420.304 and R 420.305.

Infused Edible THC Serving and Package Information

All infused edible products should be labeled so the CRA can trace the testing results to the labeled results on the product. Laboratories that enter results in mg/g should additionally be entering the mgs of THC per serving and package in the notes. This information is what should be on the label for the product.

Certificates of Analysis

Certificates of Analysis (COA) can be uploaded to Metric when publishing testing results. Once a COA is uploaded, it is available to anyone who has that product in their inventory. This feature allows full transparency of product testing throughout the supply chain. Please refer to this [Metric bulletin](#) for information on how to view these in the system.

Marijuana Product Samples*

Trade Samples*

The following licensees may provide trade samples:

- (a) A cultivator may transfer to a producer or a marijuana sales location.
- (b) A producer may transfer to a producer or marijuana sales location.

The transfer of trade samples does not require the use of a secure transporter if the amount of trade samples does not exceed either of the following:

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- (a) 15 ounces of marijuana.
- (b) 60 grams of marijuana concentrate.

All trade samples must be tracked in the statewide monitoring system (MetrC).

A cultivator and producer are limited to transferring the following aggregate amounts of trade samples to a producer or a marijuana sales location in a 30-day period:

- (a) 2.5 ounces of marijuana.
- (b) 15 grams of marijuana concentrate.

To determine the amount of infused product that can be transferred to another licensee as trade samples, the usable marijuana equivalencies must be used, just as they are for purchasing limits.

For purposes of determining usable marijuana equivalency, the following shall be considered equivalent to 1 ounce of usable marijuana:

- (1) 16 ounces of marijuana-infused product if in a solid form
- (2) 36 fluid ounces of marijuana-infused product if in a liquid form

The samples will then count toward the 2.5-ounce marijuana limit for transfer, not the 15 gram concentrate limit.

All marijuana businesses are required to keep internal records of how much product is provided to each licensee to ensure compliance with the limits as prescribed in the rule (the limits are per receiving license). One suggestion for record-keeping is to create a spreadsheet where the limits are populated, and if the sum of quantities exceeds the maximum allowed, the formula will flag the user.

To transfer trade samples, a child package will be created for the samples. After creating a child package with a new transfer/package number for the trade samples, you can transfer the package(s) using the "trade sample transfer" transfer type.

A producer or marijuana sales location that receives trade samples may distribute the samples to its employees to determine whether to purchase the marijuana product. A producer or marijuana sales location is limited to transferring a total of 1 ounce of marijuana, a total of 6grams of marijuana concentrate, and marijuana-infused products with a total THC content of 2000 mgs of internal product samples to each of its employees in a 30-day period.

The correct way to record trade samples provided to employees is by adjusting the source package down to account for the product being distributed. When making the adjustment, the adjustment reason is "trade sample;" the adjustment reason note must include the employee's name, MetrC ID, and quantity of product received.

All marijuana businesses are required to keep internal records of how much product was provided to each employee to ensure compliance with the limits as prescribed in the rule. Any trade samples provided to an employee count toward the employee's internal product sample allotment.

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Internal Product Samples

A cultivator, producer, marijuana sales location, marijuana microbusiness, or class A marijuana microbusiness may transfer internal product samples directly to its employees.

Internal product samples are prohibited from being transferred or sold to another licensee or consumer.

All internal product samples must be recorded in Metrc.

All internal product samples must have passed full compliance testing completed and recorded in Metrc.

The correct way to record internal product samples in Metrc is by adjusting the source package down to account for the product being distributed. When making the adjustment, the adjustment reason is "internal product testing samples;" the adjustment reason note must include the employee's name, Metrc ID, and quantity of product received.

All marijuana businesses are required to keep internal records of how much product was provided to each employee to ensure compliance with the limits as prescribed in the rule.

Product Development

A cultivator, class A microbusiness, microbusiness, or producer may engage in product development. No other marijuana business may engage in product development.

A cultivator, class A microbusiness, or microbusiness may designate marijuana plants for product development; these count toward the authorized total amount of marijuana plants for a cultivator and must be tracked in Metrc.

A producer, class A microbusiness, or microbusiness may designate marijuana concentrate for product development. Any marijuana concentrates designated for product development must be tracked in Metrc.

A licensee engaged in product development may submit his or her product development inventory to a laboratory for research and development testing in accordance with these rules.

Disciplinary action may not be taken against a licensee for failed research and development test results on his or her product development inventory.

A cultivator, class A microbusiness, microbusiness, or producer may transfer its product development inventory to its employees for consumption.

Any product development inventory that is not transferred to an employee must be destroyed pursuant to these rules.

All product development inventory transferred to an employee cannot exceed the limits prescribed for internal product samples listed above.

A licensee shall record the transfer of product development inventory in Metrc.

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Product development inventory may not be consumed or used on the premises of the licensee.

A licensee shall not transfer or sell inventory designated for product development to a marijuana sales location, or to a marijuana customer, until after the inventory is tested pursuant to R 420.304 and R 420.305, and the test results in Metrc indicate passed full compliance testing.

The way to record product development material in Metrc is by including “product development” in the strain or item name. The distribution tracking will follow the process listed above for internal product samples.

Research Study with An Entity Duly Authorized by the Drug Enforcement Administration to Handle Marijuana

A cultivator or producer may also engage in a research study with an entity duly authorized by the Drug Enforcement Administration to handle marijuana. A licensee’s participation in a research study must be approved by the agency and will require the submission of a research proposal and the final results of the study.

A licensee participating in an approved research study shall track all marijuana product involved in the research study in Metrc.

The way to record research study material in Metrc is by including “research study” in the strain or item name. The distribution tracking will follow the process listed above for internal product samples.

Transfer Types and When to Use Them

Adult-Use Affiliated Transfer

For transfers between adult-use licenses with the same ownership.

Adult-Use Seeds and Seedlings

For adult-use cultivators to bring in seeds or seedlings from individuals aged 21 or older.

Caregiver

For medical cultivators to bring in seeds, seedlings, tissue cultures, or cuttings from a registered caregiver.

Educational Research License Transfer

For transfers to an Educational Research License.

External Cannabinoids

For acquiring hemp-sourced cannabinoids from businesses that do not hold a marijuana license.

Grow to Grow Between Medical and Adult-Use

For equivalent license transfers between cultivators.

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Hemp CBD R&D Conversion Transfer

For bringing hemp-sourced CBD from businesses that do not hold a marijuana license for the purposes of R&D with agency approval.

Immature Plants Between Medical and Adult-Use

For transferring immature plants between equivalent medical & adult-use licenses under the same ownership.

Infusion Transfer

For transferring plant material for extraction when an upfront price has not been negotiated. **This would include 3rd party processing agreements.**

Medical Affiliated Transfer

For transfers between medical licenses with the same ownership.

Microbusiness Transfer

For allowable transfers of seeds, tissue cultures, and clones that do not meet the tradition of a plant to a microbusiness.

Provisioning Center and Retailer Between Medical and Adult-Use

For equivalent license transfers between sales locations.

Processor to Processor Between Medical and Adult-Use

For equivalent license transfers between producers.

Temporary Event

To create a manifest for product going to a temporary event. This transfer must be voided after the manifest is printed.

Temporary Event – Return

To create a manifest for product returning from a temporary event. This transfer must be voided after the manifest is printed.

Testing Transfer (to Safety Compliance Facilities)

For transfers to safety compliance facilities (SCF) where the SCF is the transporter.

Trade Sample Transfer

For trade sample transfers to another license where the shipping facility is the transporter (if carrying more than 15 ounces of marijuana or 60 grams of concentrate, a secure transporter is required).

Wholesale

For transfers between licenses when the product is being sold with an upfront price negotiated. Prices should not be listed as rates per pound and should be the price paid for the product.

Manifest Documentation

Walking Transfers – sender of product selects themselves as the secure transporter, enters “walking transfer” for the route, driver, and vehicle information. Gross weight, etc. same as package weight.

Virtual Transfers – follow procedures for virtual transfers, sender should include Metrc ticket # in the route info, select themselves as the transporter, and enter “virtual transfer” in the driver & vehicle section. All virtual transfers must be approved by the CRA through Metrc Support.

Trade Sample Transfers – sender selects themselves as the transporter. The driver and vehicle information will be from the employee delivering the product.

Temporary Event Transfers – Sender will void the transfer after the manifest has been printed.

Internal Analytical Testing Tracking Requirements

A licensee will designate a room in their Metrc inventory to perform internal analytical testing on marijuana or a marijuana product grown or produced by the marijuana business.

The licensee will create a package for any samples taken for internal analytical testing.

The licensee will change the location of the product to the room designated as the internal analytical testing space when products are placed in the room for testing.

All marijuana and marijuana product must have a Metrc tag affixed to them.

Once marijuana samples have been manipulated for testing (i.e., solvent added for extraction or buffer for microbial testing), this product is now considered waste since it is no longer usable and must be adjusted and finished in the Metrc system.

Internal analytical testing results are for informational purposes only and cannot be entered into the Metrc system. Prior to being sold or transferred, the batch from which the samples were obtained is required to undergo full compliance testing at a licensed laboratory, with passing test results entered into Metrc.

Retesting

When performing retesting after passing compliance testing, the last result entered in the Metrc system is the test result that should appear on the package label.

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When performing retesting after products have been distributed, any testing done on the packages will update the testing status of all packages. Before retesting packages that have been distributed, please consult metrc support and the CRA.

Example:

A retailer requests potency testing on a passed product at their location. Once the retailer creates the test samples, the status of all related packages from the source will update to “submitted for testing” and will no longer be eligible for sale or transfer as they are no longer passing in the Metrc system. If the product is mistakenly tested for additional tests and fails, the package and all associated packages are now test failed and ineligible for sale.

Product Categorization

Pre-Rolls

All pre-rolls must be categorized as shake/trim (pre-packaged), regardless of whether they are made from buds. This is due to the way the Metrc system calculates their quantity and weight for reporting.

Expiration Date and Intended Potency for Edibles

Each new production batch of a product should include the intended potency and expiration date in the name. Production batch tags should be unique to the particular production batch. By following this instruction, it will allow for more compliant tracking of these products.

Example:

A 10 pack of 10mg apple gummies that expires 7/31/2023, could be named Apple gummy 10pk (100mg) exp. 7/31/2023.

Adjustment Reasons

Adjustments do not need to be reported to the CRA, but large adjustments should have a Metrc support ticket listed in the notes for tracking errors and resolutions.

Shipping Errors

All errors made during shipping and receiving must be corrected at the time of receipt.

Physical and electronic inventory must match exactly to be compliant.

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Examples of common errors include receiving more or less than what is stated on the manifest or receiving product not on a manifest.

It is never acceptable to correct errors by adjusting packages. Incorrect packages should be rejected.

After rejecting the package(s), the licensee should contact Metrc Support to open a Metrc Support ticket for assistance with correcting the error compliantly.

The CRA will not approve virtual manifests directly to licensees. If the only correction for the error is a virtual manifest, Metrc support will reach out to the CRA for approval.

Facility Inventory Errors

All inventory errors must be corrected.

Physical and electronic inventory must match exactly to be compliant.

Examples of common errors include not creating products as production batches, adjusting down packages instead of creating a new package, and packaging errors during the harvest process.

All errors should be reported to Metrc support for assistance with correcting them compliantly.

The Metrc support ticket number should be added to the notes.

When reporting issues to Metrc support, please make sure to include your license number, Metrc ID, package tag numbers, and a summary of the issue in the email.

Metrc support can be reached via email at support@metrc.com or by calling 1-877-566-6506.

There are some helpful videos for performing common functions within metrc that can be found on the Michigan-Metrc website [here](#).

Notifications of Criminal Activity, Loss, or Theft*

Licensees must notify the CRA and local law enforcement authorities within 24 hours of criminal activity at the marijuana business or theft or loss of any marijuana product. Failure to notify may result in sanctions or fines, or both.

To notify the agency of criminal activity, loss, or theft, licensees are encouraged to complete a Reporting Form and upload it to their record in Accela. The form and instructions can be found [here](#).

Licensees should make the appropriate package adjustments in Metrc to account for any lost/stolen marijuana product, as electronic and physical inventories must match. When making the adjustments, please use “theft” as the reason code and include the date of the incident and,

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if possible, the police report number. If an entire package has been lost/stolen, the package should be finished out in Metrc after adjusting it down to 0.

Notifications of Adverse Reactions

Licensees are required to notify the agency of adverse reactions using this [form](#) via email to CRA-Compliance@michigan.gov and entering the information into Metrc following the guidance found [here](#). The form will need to be downloaded and opened in a PDF program to utilize the submit form function.

Provisioning Center Guidance for Patient Allotment Issues*

When patients have reached their daily or monthly purchasing limit and believe it is in error, the CRA can review their purchasing history. To do this, the provisioning center must call the CRA while the patient is at the facility. The CRA is unable to speak directly to patients due to privacy laws. Provisioning centers must call (517) 284-8599 to speak with the Operations Support Section who will verify the employee information and review the purchasing limit issues.

Additional Resources

[Bulletin explaining additional Metrc training available](#)

[Metrc Learn](#)

[Metrc Knowledge Center](#)

Under the support tab in Metrc you can find the below documents:

- Michigan State Supplemental Guide
- Metrc User Guide

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