

COMPLIANCE BEST PRACTICES

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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Marijuana Product Destruction

When destroying product, documentation of the destruction, including full Metrc tag number, reason for destruction, and 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](#).

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Video and Photo Evidence of Destruction

When collecting video evidence to demonstrate 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 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 are being destroyed.

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 product they were originally created to hold.

Source package tag - the first tag created for a marijuana product, 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.

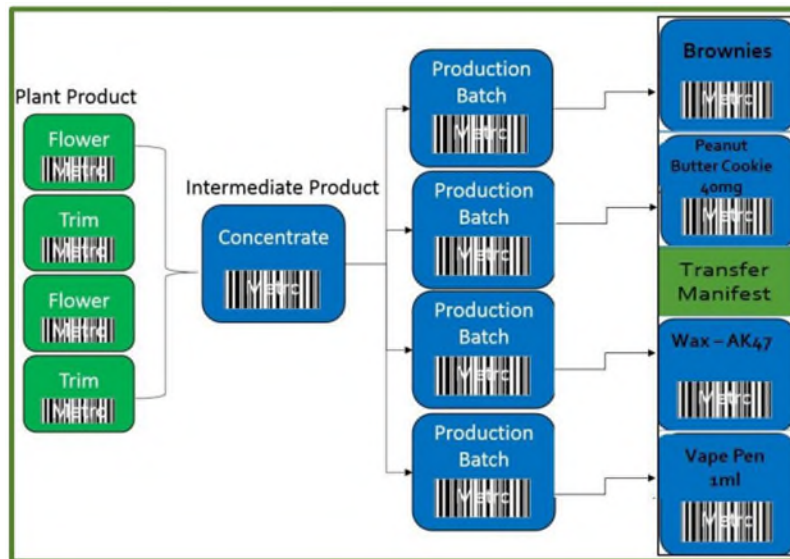


Figure 1. Product creation from flower to finished product

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

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.

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5. Date of harvest, if applicable.
6. Name of strain, if applicable.
7. Net weight in 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 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 marihuana."
 - (ii) "National Poison Control Center 1-800-222-1222."
 - (iii) For products being sold by a marihuana facility that exceed 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 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.

Marijuana Product Samples

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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:

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

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

The following aggregate amounts of trade samples are permitted in a 30-day period:

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

A producer or marijuana sales location that receives a trade sample may distribute the trade sample 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 6 grams 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 way to record trade samples MetrC 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 note must include the license number for the receiving marijuana business, as well as the quantity of product being distributed.

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

To transfer the 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 sample, you can transfer the package(s) using the “trade sample transfer” transfer type. The receiving licensee will then adjust the package down when the samples are distributed to their employees.

The employee’s name, MetrC ID, and quantity of product received will need to be included in the note for the adjustment reason.

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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 rule. Any trade samples provided to an employee count toward the employee's internal product sample allotment.

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 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 employee's name, Metrc ID, and quantity of product received will need to be included in the note for the adjustment reason.

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 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.

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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.

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.

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](#)

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[Adult-Use Affiliated Transfer](#)

For transfers between adult-use licenses with 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

[Hemp CBD R&D Conversion Transfer](#)

For bringing hemp-sourced CBD from a business that doesn't hold a marijuana license for the purposes of R&D

[Immature Plants Between Medical and Adult-Use](#)

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

[Infusion Transfer](#)

For transferring plant material for extraction when an upfront price has not been negotiated

[Medical Affiliated Transfer](#)

For transfers between medical licenses with same ownership

[Microbusiness Transfer](#)

For allowable transfers of seeds, tissue cultures and clones which do not meet the definition 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

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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.

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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 it.

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.

Shipping Errors

All errors made during shipping and receiving must be corrected.

Physical and electronic inventory must match exactly to be compliant.

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 the errors by adjusting the packages.

All errors should be reported to Metrc support for assistance with correcting them 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, packaging errors during the harvest process.

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

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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

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.

Additional Resources

[Bulletin explaining additional Metrc training available](#)

[Metrc Learn](#)

[Metrc Knowledge Center](#)

[Michigan State Supplemental Guide](#)

[Metrc User Guide](#)