Beginning Inventory Guidelines for Michigan



This document is intended to guide you through the process of tagging and reporting your beginning inventory in Metrc. This reference is designed as a step by step tool, but the information may be used at the discretion of your business processes. The beginning inventory steps herein are *not* the same steps you will take to track your inventory in the system once your account is set up.

There are two types of tagged inventory in Metrc: Plants and Packages. Plants are Immature, Vegetative, or Flowering. All plants must enter the system through immature plant batches. Packages are created from immature plants, harvest batches, or other packages.

When reporting beginning inventory, only a newly created immature batch can be immediately transitioned to reflect the phase the plants are in (in the case of existing Vegetative and/or Flowering inventory).

Harvested inventory is assigned a unique identifying batch name within the system. The weight of the product is reported based on the weight at Harvest. Waste is reported from each Harvest Batch to account for all waste collected throughout the dry/cure process. Once the product is otherwise ready to transfer, it will be packaged. Packages once they have been tested by a licensed Safety Compliance facility can then be added to transfer manifests and sent for further processing or sale.

You will not report any existing open Harvest Batches in the system. Your beginning inventory with respect to such product will be accounted for as you create packages for that harvested material (e.g. packages of bud and packages of shake/trim).

You will place an order for tags for each of your organization's licenses. Yellow medical tags will arrive that display your facility license number, name, and the unique identification number for that tag.

After you have placed your tag order, you will need to go into Admin tab and add all the Strains that are within your facility. Then, you will need to go back into Admin tab and create all Items that the facility currently carries. A Metrc best practice recommends that the licensee designate Item names with a delineation of "beginning inventory" included in the name. I.E. "Blue Dream – Beginning Inventory. This shows the state the beginning inventory versus future inventory sourced within the Metrc system. Lastly, you will want to set up your Rooms, these are considered locations that designate where plants or packages are within a given facility.

Metrc tags are onetime use ONLY. If an error is made when assigning a tag to a plant, that plant's tag will need to be replaced using the "Replace Tag" option in the software. If an error is made when assigning a tag to a package, the package quantity in the package in question would need to be adjusted to "0" with "Entry Error" cited as the reason for the adjustment. That package should then be finished in the system and a new, correct package created with a new package tag.

Step by Step instructions begin on the next page.

Immature Plants

Are considered non-flowering Medical Marihuana plant that is no taller than eight inches and no wider than eight inches produced from a cutting, clipping, or seedling and that is in a growing/cultivating container that is no larger than two inches wide and two inches tall that is sealed on the sides and bottom.

Follow the steps below to move your beginning inventory into Immature Planting Groups.

etrc		<u>-</u>	Plants	F	Packages		Transfer	rs ▼	Repor	ts -	- Ad	min	-
an	ts							/					
Imm	ature	Inactiv	e	Ve	getative	F	lowering		On Hold	1	nactive		A
Cr	eate Pl	antings	Create	e Pa	ckages	0	hange (Grow	/th Phase	(Destroy I	Plar	nts
	Group	<u>p</u> †		:	Strain	:	Туре	:	Plants	:	Live	:	Pac
•	AK-47	Clone 11/9	/2016		AK-47	Clone			5		96		0
	Flo See	ed 10/5/20	16		Flo		Seed		13		107		0

Step 1: Navigate to "Plants" on the navigation bar

Step 2: Select the "Immature" tab and then select "Create Plantings"

anu	S									Z			
Imma	ture	Inactive	1	Ve	getative	F	lowering		On Hold	I	nactive	1	1
Cre	ate Plar	ntings	Create	e Pad	ckages	0	Change G	Fow	th Phase	1	Destroy	Pla	nts
Cre	ate Plar	ntings	Create	Pao	ckages Strain		Change G Type	Grow	th Phase Plants	:	Destroy Live	Pla I	nts P
Cre	ate Plar Group 1 AK-47 Cl	ntings	Create	Pac	Ckages Strain AK-47		Change G Type Clone	inow	th Phase Plants 5	:	Destroy Live 96	Pla	nts P

Step 3: Populate the required information and select "Create Plantings"

				(0	
	Room	Тур	e part of the R	oom name	Q
~	Strain	Тур	e part of the St	rain name	۹
	Planting Date		mm/dd/yyyy	today	
	~	Room Strain Planting Date	Room Typ Strain Typ Planting Date	Room Type part of the Ro Strain Type part of the St Planting Date mm/dd/yyyy	Room Type part of the Room name Strain Type part of the Strain name Planting Date mm/dd/yyyy today

A preferred naming convention may be used for the Group Name, but typically includes the Strain Name and date of planting (or entry in the case of beginning inventory). Strains and Rooms must already have been entered under the Admin function on the navigation bar for selection here. Use today's date (the date of entry) for the "Planting Date".

Vegetative Plants

Vegetation is the sporophytic state of the *Cannabis* plant which is a form of asexual reproduction in plants during which plants do not produce resin or flowers and are bulking up to a desired production size for flowering. Each vegging plant will be assigned a tag logged into Metrc.

Flowering Plants

Flowering is the gametophytic or reproductive state of *Cannabis* in which the plant is in a designated flowering space within a cultivation facility with a light cycle intended to produce flowers, trichomes and cannabinoids characteristic of medical marihuana.

Follow the steps below to move beginning inventory plants from the Immature Batch you created to the Vegetative or Flowering phases.

Step 1: Select the relevant Immature Batch by clicking on it, then select "Change Growth Phase"

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Immat	ture	Inactive		Ve	getative	F	lowering	T	On Hold	1	nactive		
Cre	ate Pla	antings	Creat	e Pa	ckages	0	Change G	row	/th Phase	\mathbf{D}	Destroy	Plar	nts
	Group	2 †		:	Strain	:	Туре	:	Plants	:	Live	:	Pa
•	AK-47 (Clone 11/9/2	016		AK-47		Clone		5		96		0
	Flo See	ed 10/5/2016	5		Flo		Seed		13		107		0

Step 2: Populate the required information and select "Change Phase"

Change Immat	ture Plants	Growth Phase						×
Plant Group	o # 1							clear)
Group	Golden Goat Clone 10/23/2016			New Phase	F	¥		
Plants Count	ex. 100	Tags		New Room	FI	ower Room A		•
Starting Tag	ABCDEF012	345670000013239	Q	Growth Date	=	mm/dd/yyyy	today	
Ending Tag (tags optional)								
+								
		Change Phase	ancel					
		J				_		

Fill the information top to bottom, left to right. That way you will have populated the Plants Count prior to selecting a Starting Tag from your available tags in the system. Doing it in this way allows the system to then auto-populate that number of tags in sequence for your use in identifying your beginning plants inventory. Be sure to physically tag your plants with the same tag they've been assigned in the digital system. Rooms must already have been entered under the Admin function on the navigation bar for selection here. Use today's date (the date of entry) for the "Growth Date".

Packages

Any amount of marihuana that may be sold, processed or transferred and must be placed into one or more containers, each having a unique Metrc tag.

Your beginning inventory packages will not have a source identified. Once you're operating in the system, all packages must have a source identified.

Per the Bureau of Medical Marihuana Regulation (BMMR), packages within the State of Michigan will need to be entered at the item level, meaning no beginning inventory can be entered in bulk. All packages will need to be tied to a specific production batch or harvest batch and will be required to have test results in Metrc entered from a licensed Safety Compliance center prior to any item being dispensed to a patient.

<u>All item categories that are packaged as Concentrate, Concentrate (Each), Gas, Infused Liquid, Infused Liquid (Each),</u> <u>Infused Non-Edible, and Infused-Edible will require a production batch number associated with the item being created. This</u> <u>will ensure the testing on all items that are packaged reflects the associated production batches that were created by the</u> <u>facility.</u>

metrc	•	Plants F	Packag	es Transfers		Reports 🕶	Admin 👻			
Packa	iges		Y							
Active	On Hold	Inactive								
New	Packages	Submit for T	esting	Create Plantin	ngs	New Trans	fer Change	e Items Adjus	st Finish	
Т	ag		:	Harvest	:	Item :	Category :	Quantity	<u>P.B.</u>	P.
> C	ABCDEF	01234567000001	13514	Harvest 9/20		Buds - AK-47	Bud/Flower	25 g	No	
+ C	ABCDEF	01234567000001	13515	Harvest 9/20		Buds - AK-47	Bud/Flower	50 g	No	

Step 1: Navigate to the "Packages" area from the navigation bar

Step 2: Select "Active" and then "New Packages"

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Active	On Hold	Inactive											
New P	ackages	Submit for T	esting	Create Planti	ings	New Tr	rans	fer	Change	Items	Adjus	t Fi	nist
Linen	acitageo	Second Street of	0001000								COLOR -	100	-
Tay	unageo		1	Harvest	:	Item	;	Cate	gory I	Quantity	1	<u>P.B.</u>	;
· Q1	ABCDEFO	123456700000	1 13514	Harvest Harvest 9/20	:	ltem Buds - AK→	47	Cate Bud/F	gory :	Quantity 25 g	/ 1	<u>P.B.</u> No	:

New Package	S	×
New Packa	ge # 1	(clear)
New Tag	Type part of the Tag number Q	(contents)
Room	Type part of the Room name Q	
Item	Type part of the Item name Q	
Quantity	ex. 100.2 🚔 🛛 - Select - 🗸 🗸	
Package Date	mm/dd/yyyy today	
	Production Batch	
	Product Requires Remediation	
+		
	Create Packages Cancel	

Step 3: Populate the required information

Items and Rooms must already have been entered under the Admin functionality on the navigation bar for selection here. Use today's date (the date of entry) for the "Package Date".

Production Batches are considered a group of weight or count based products that are created from either raw marijuana material or marijuana infused concentrate which produces a new and completely different product. Production Batches in Michigan can consist of items categorized as Concentrate, Concentrate (Each), Gas, Infused Liquid, Infused Liquid (Each), Infused Non-Edible, and Infused-Edible.

Please reach out to the Metrc Support Team at <u>support@metrc.com</u> or 1-877-566-6506 with any questions or for additional guidance.