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.

Step 1: Navigate to "Plants" on the navigation bar
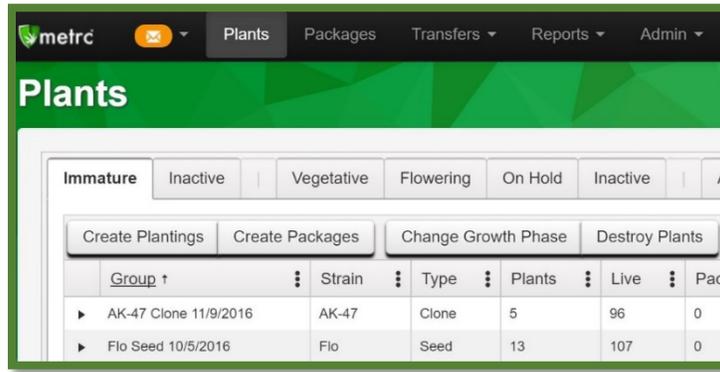
Step 2: Select the "Immature" tab and then select "Create Plantings"
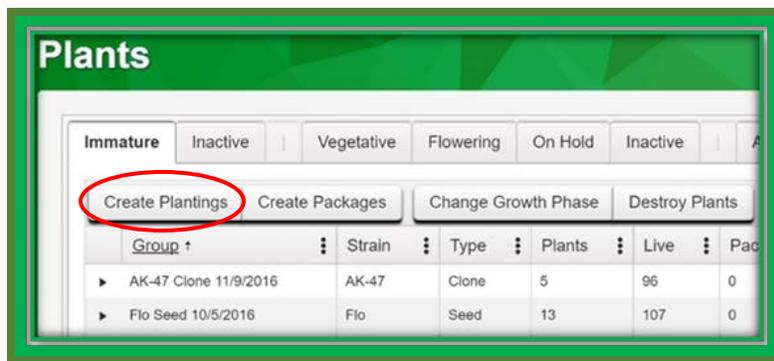
Step 3: Populate the required information and select "Create Plantings"
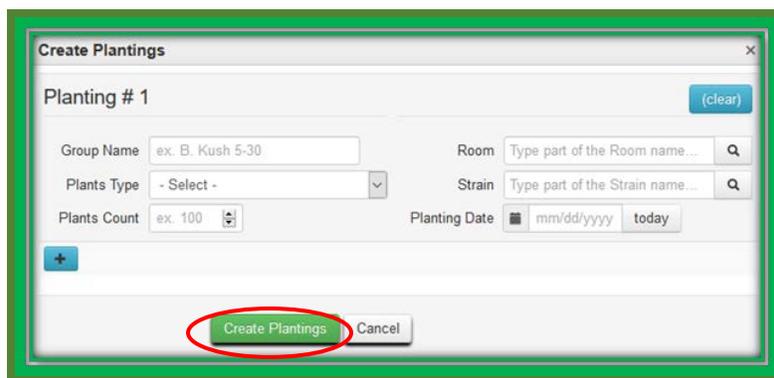
A preferred naming convention may be used for the Group Name, but typically includes the Strain Name and date of planting (or entry in the case of beginning inventory). Strains and Rooms must already have been entered under the Admin function on the navigation bar for selection here. Use today's date (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"
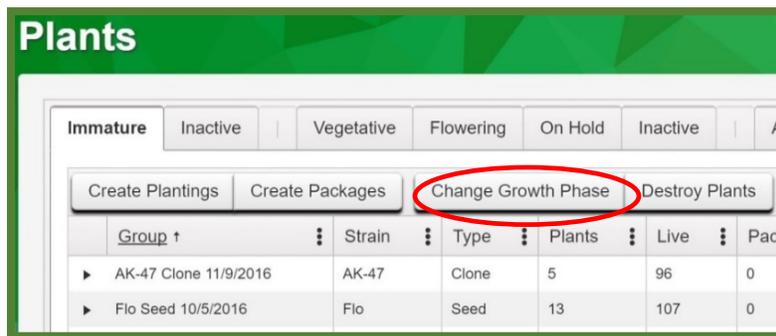
Step 2: Populate the required information and select "Change Phase"
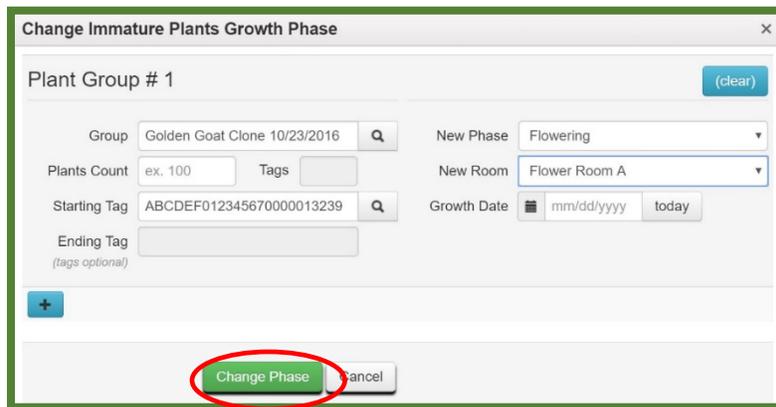
Fill the information top to bottom, left to right. That way you will have populated the Plants Count prior to selecting a Starting Tag from your available tags in the system. Doing it in this way allows the system to then auto-populate that number of tags in sequence for your use in identifying your 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.

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

Step 1: Navigate to the "Packages" area from the navigation bar
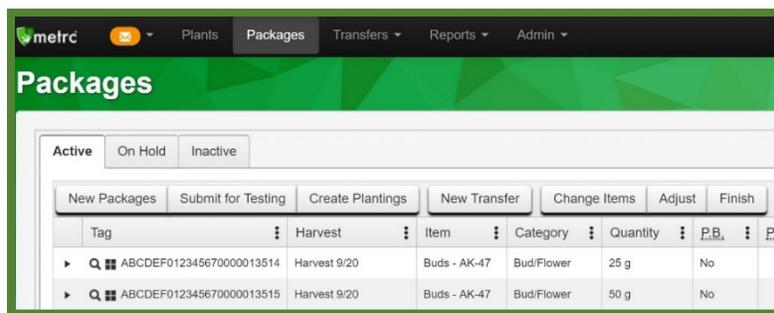
Step 2: Select "Active" and then "New Packages"

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 support@metrc.com or 1-877-566-6506 with any questions or for additional guidance.