California’s Approach to Cannabis Regulation for Public Health & Safety

Mark Starr, California Dept of Public Health
Richard Parrott, California Dept of Food and Agriculture
Lori Ajax, California Dept of Consumer Affairs
Order of Discussion

- Introduction
- CalCannabis (CDFA)
- Manufactured Cannabis Safety (CDPH)
- Bureau of Cannabis Control (DCA)
- Q&A / Discussion
### Progression of CA Cannabis Law

<table>
<thead>
<tr>
<th>Year</th>
<th>Law and Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>• Proposition 215, Compassionate Use Act</td>
</tr>
<tr>
<td>2003</td>
<td>• Senate Bill 420, Medical Marijuana ID Card Program</td>
</tr>
<tr>
<td>2015</td>
<td>• Medical Cannabis Regulation &amp; Safety Act (MCRSA)</td>
</tr>
<tr>
<td>2016</td>
<td>• Proposition 64, Adult Use of Marijuana Act</td>
</tr>
<tr>
<td>2017</td>
<td>• Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) - SB 94 and AB 133</td>
</tr>
</tbody>
</table>
MAUCRSA - Principles

- Public Health & Consumer Safety
- Neither Food Nor Drug
- Vertical Integration
- Dual Licensing Structure
MAUCRSA – State Licensing Authorities

CA Department of Food & Agriculture
CalCannabis Cultivation Licensing
Cultivators
Track-and-Trace System

CA Department of Public Health
Manufactured Cannabis Safety Branch (MCSB)
Manufacturers

Bureau of Cannabis Control (Bureau)
Retailers
Distributors
Testing Labs
Testing Labs
Microbusinesses
Event Organizers
MAUCRSA – Product Movement

Between Licensees

Cultivator → Distributor

Manufacturer

Distributor → Third Party Testing Lab

Retailer

= Distributor Transporter

Third Party Testing Lab

Allows Vertical Integration Except for the Testing Lab
Cannabis Cultivation Licensing and Enforcement Program

Richard Parrott, Director
CalCannabis Cultivation Licensing Division
California Department of Food and Agriculture
Our Programs

**Licensing Branch**
- Issue licenses to commercial cultivators.
- Determine compliance with CEQA and mitigate any potentially significant environmental impacts of cannabis cultivation.
- Developing a comparable organic program and appellations program for cannabis.

**Compliance and Enforcement Branch**
- Perform inspections on commercial cultivation licensees’ premises.
- Issue enforcement actions, when necessary.
- Ensure compliance with environmental protection measures specified in regulations.

**IT Projects**
- Implementing an online licensing program and a statewide track-and-trace system to record the movement of cannabis and cannabis products through the supply chain.
Collaborating State Agencies

- California Department of Tax and Fee Administration
- California Department of Fish and Wildlife
- California Department of Insurance
- Division of Occupational Safety and Health
- California Water Boards
- Secretary of State Office
- California Department of Pesticide Regulation
- California Highway Patrol
## License Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Outdoor</th>
<th>Indoor</th>
<th>Mixed-Light</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty Cottage</td>
<td>Up to 25 mature plants</td>
<td>Up to 500 sq ft</td>
<td>Up to 2,500 sq ft</td>
</tr>
<tr>
<td>Specialty</td>
<td>Up to 5,000 sq ft or up to 50 mature plants</td>
<td>Up to 5,000 sq ft</td>
<td>Up to 5,000 sq ft</td>
</tr>
<tr>
<td>Small</td>
<td>5,001-10,000 sq ft</td>
<td>5,001-10,000 sq ft</td>
<td>5,001-10,000 sq ft</td>
</tr>
<tr>
<td>Medium (limited)</td>
<td>10,001 sq ft to 1 acre</td>
<td>10,001-22,000 sq ft</td>
<td>10,001-22,000 sq ft</td>
</tr>
<tr>
<td>Large (Not issued until 2023)</td>
<td>Greater than 1 acre</td>
<td>Greater than 22,000 sq ft</td>
<td>Greater than 22,000 sq ft</td>
</tr>
<tr>
<td>Nursery</td>
<td>No size limit defined in statute (no canopy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processor</td>
<td>Conducts only trimming, drying, curing, grading, or packaging of cannabis and nonmanufactured cannabis products</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Annual License Application Fees

<table>
<thead>
<tr>
<th>Category</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty Cottage Outdoor</td>
<td>$135</td>
</tr>
<tr>
<td>Specialty Outdoor</td>
<td>$270</td>
</tr>
<tr>
<td>Small Outdoor</td>
<td>$535</td>
</tr>
<tr>
<td>Medium Outdoor</td>
<td>$1,555</td>
</tr>
<tr>
<td>Specialty Cottage Indoor</td>
<td>$205</td>
</tr>
<tr>
<td>Specialty Indoor</td>
<td>$2,170</td>
</tr>
<tr>
<td>Small Indoor</td>
<td>$3,935</td>
</tr>
<tr>
<td>Medium Indoor</td>
<td>$8,655</td>
</tr>
<tr>
<td>Specialty Cottage Mixed-Light Tier 1</td>
<td>$340</td>
</tr>
<tr>
<td>Specialty Mixed-Light Tier 1</td>
<td>$655</td>
</tr>
<tr>
<td>Small Mixed-Light Tier 1</td>
<td>$1,310</td>
</tr>
<tr>
<td>Medium Mixed-Light Tier 1</td>
<td>$2,885</td>
</tr>
<tr>
<td>Specialty Cottage Mixed-Light Tier 2</td>
<td>$580</td>
</tr>
<tr>
<td>Specialty Mixed-Light Tier 2</td>
<td>$1,125</td>
</tr>
<tr>
<td>Small Mixed-Light Tier 2</td>
<td>$2,250</td>
</tr>
<tr>
<td>Medium Mixed-Light Tier 2</td>
<td>$4,945</td>
</tr>
<tr>
<td>Nursery</td>
<td>$4,520</td>
</tr>
<tr>
<td>Processor</td>
<td>$1,040</td>
</tr>
<tr>
<td>License Type</td>
<td>Annual Fee</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Specialty Cottage Outdoor</td>
<td>$1,205</td>
</tr>
<tr>
<td>Specialty Outdoor</td>
<td>$2,410</td>
</tr>
<tr>
<td>Small Outdoor</td>
<td>$4,820</td>
</tr>
<tr>
<td>Medium Outdoor</td>
<td>$13,990</td>
</tr>
<tr>
<td>Specialty Cottage Indoor</td>
<td>$1,830</td>
</tr>
<tr>
<td>Specialty Indoor</td>
<td>$19,540</td>
</tr>
<tr>
<td>Small Indoor</td>
<td>$35,410</td>
</tr>
<tr>
<td>Medium Indoor</td>
<td>$77,905</td>
</tr>
<tr>
<td>Specialty Cottage Mixed-Light Tier 1</td>
<td>$3,035</td>
</tr>
<tr>
<td>Specialty Mixed-Light Tier 1</td>
<td>$5,900</td>
</tr>
<tr>
<td>Small Mixed-Light Tier 1</td>
<td>$11,800</td>
</tr>
<tr>
<td>Medium Mixed-Light Tier 1</td>
<td>$25,970</td>
</tr>
<tr>
<td>Specialty Cottage Mixed-Light Tier 2</td>
<td>$5,200</td>
</tr>
<tr>
<td>Specialty Mixed-Light Tier 2</td>
<td>$10,120</td>
</tr>
<tr>
<td>Small Mixed-Light Tier 2</td>
<td>$20,235</td>
</tr>
<tr>
<td>Medium Mixed-Light Tier 2</td>
<td>$44,517</td>
</tr>
<tr>
<td>Nursery</td>
<td>$4,685</td>
</tr>
<tr>
<td>Processor</td>
<td>$9,370</td>
</tr>
</tbody>
</table>
California Cannabis Track and Trace (CCTT-METRC)

• Web-based
• Seed-to-sale
• Unique identifiers (UID)
• All annual/provisional commercial cannabis licensees are required to use CCTT-METRC
Contact Us!

Visit our website and join our email-alert list:
calcannabis.cdfa.ca.gov

1-833-CALGROW

calcannabis@cdfa.ca.gov

Facebook.com/CACultivationLicensing
Instagram.com/calcannabis.cdfa
Twitter.com/cal_cannabis
California Department of Public Health: Manufactured Cannabis Safety

North American Cannabis Summit
January 30, 2019

Mark Starr, DVM, MPVM, DACVPM
Deputy Director for Environmental Health
California Department of Public Health
Outline

• Cannabis Products Manufacturing
• Public Health and Safety Components
• Licensure Status
• Compliance and Enforcement
• CDPH Public Health Awareness
Cannabis Product Manufacturing

**Extraction** – separating cannabinoids from cannabis plant material

**Infusion** – using cannabis concentrates or plant material to create a cannabis product

**Packaging and Labeling** – putting finished cannabis products into a container and marking them for sale
Protect public health by promoting product and workplace safety

Manufactured Cannabis Safety Branch (MCSB)
- Regulations & Policy
- Licensing
- Compliance & Enforcement
- Outreach & Education

Cannabis Testing Section (CTS)
Guiding Principles

• Public health and consumer safety
• Enforceability
• Wide range of manufacturing operations and products

Resources Used

• Other states’ regulations and Sherman Act
• CDPH Food and Drug Branch experiences & expertise
• Other California state cannabis licensing authorities
• Stakeholder input
Regulations - Focus

- Licensure Requirements
- Process Control
- Product Standards
- Packaging & Labeling
Licensure Requirements

• Dual Licensing System
  – Compliance with local requirements

• Background Check
  – All interest holders - fingerprinting

• Premises
  – Diagram
  – One licensee one premises
  – Security

• Track and Trace System
Process Control

• Good Manufacturing Practices
  – Clean and sanitary work environment
  – HACCP (Hazard Analysis and Critical Control Point)

• Cannabis Product Safety
  – Free of contaminants
  – Uniform distribution of THC
  – Free of allergens

• Extraction System Safety
  – Must adhere to local fire code and restrictions
  – Fire Marshal inspection
  – Closed loop system certification
Product Standards

• Product Restrictions
  – No alcohol, nicotine or added caffeine
  – No perishable products (except juices/beverages)
  – No dairy, except butter purchased from a licensed entity
  – No seafood
  – No low-acid canned products
  – Product cannot be in the shape of a human being, animal, insect, or fruit
  – All components / ingredients of an edible product must be approved for use in food

• THC Limits and Edibles Serving Sizes...
# Protection – THC Limits

<table>
<thead>
<tr>
<th>Edibles</th>
<th>Other Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 10 milligrams per serving</td>
<td>• 1,000 milligrams per package (adult-use)</td>
</tr>
<tr>
<td>• 100 milligrams per package</td>
<td>• 2,000 milligrams per package (medicinal)</td>
</tr>
</tbody>
</table>
# Protection – Packaging & Labeling

<table>
<thead>
<tr>
<th>Cannot resemble traditional food packaging</th>
<th>Opaque packaging (Edibles)</th>
<th>Must be packaged before release to distributor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Must be tamper evident and child resistant</td>
<td>Must be re-sealable, if there are multiple servings</td>
<td>Cannot be attractive to children</td>
</tr>
</tbody>
</table>

**Primary Panel:**
- THC content, universal symbol, Government warning

**Information Panel:**
- Includes list of ingredients, warning statement, UID

![California Proposition 65 Warning Symbol](CA.png)
# Licensure Status (Jan 24, 2019)

<table>
<thead>
<tr>
<th>Temporary Licenses</th>
<th>Annual Licenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Valid 120 days, but may be extended</td>
<td>• Valid for 12 months</td>
</tr>
<tr>
<td>• One-page paper application submitted via email or mail</td>
<td>• Online application process – Manufactured Cannabis Licensing System (MCLS)</td>
</tr>
<tr>
<td>• Issued until December 31, 2018</td>
<td>• More application requirements</td>
</tr>
<tr>
<td>• No application or license fee</td>
<td>• Requires application fee and, if approved, license fee</td>
</tr>
<tr>
<td>• No appeal for denials</td>
<td>• Applicant may appeal the licensing authority’s decision</td>
</tr>
<tr>
<td>• Applicant is not entitled to annual license</td>
<td>• Applications received: 721</td>
</tr>
<tr>
<td>• Active: 1, 241</td>
<td></td>
</tr>
</tbody>
</table>
Compliance and Enforcement

- Five Districts
- Supervising Senior Environmental Scientist
- Environmental Scientists (Inspectors)
- Compliance inspections and enforcement actions
- Resource and contact point for the local jurisdictions, and the cannabis manufacturing licensees
Resources

- MCSB Webpage
  - Laws and Regulations
  - Licensing - requirements; how to apply for a license; license lookup
  - Guidance documents & videos
  - License look up
  - FAQs
- Training Workshops
- Informational events

www.cdph.ca.gov/mcsb
Thank you

Manufactured Cannabis Safety Branch
www.cdph.ca.gov/mcsb
mcsb@cdph.ca.gov

Cannabis Portal
www.cannabis.ca.gov
Department of Consumer Affairs:
Bureau of Cannabis Control

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Lori Ajax, Chief
Bureau of Cannabis Control
California Department of Consumer Affairs