1. Working group name:

*Operations - Production/ Manufacturing*

1. Individual sponsor(s):

*Anna Thornley, Deputy Director, Retail Marijuana, Department of Taxation*

*Brian Hyun, Production Manager/Owner, The Grove*

*Jake Ward, President, Pure Tonic Concentrates*

1. Describe the recommendation:

*Each marijuana facility should maintain a perpetual inventory system which adequately documents the flow of materials through the cultivating, manufacturing, distributing, and retail sale process and is updated daily.*

1. Which guiding principle(s) does this recommendation support?

*Guiding Principle 2 - Be responsive to the needs and issues of consumers, non-consumers, local governments and the industry*

*Guiding Principle 4 - Propose efficient and effective regulation that is clear and reasonable and not unduly burdensome*

1. What provision(s) of Question 2 does this recommendation apply to?

*NRS 453A.322 requires that an MME develop operating procedures which includes “The use of an electronic verification system and inventory control system…”*

1. What issue(s) does the recommendation resolve?

*This recommendation allows State and Local authorities to retroactively and in real time monitor the chain of custody of marijuana products within individual establishments, from establishment to establishment, and from seed to sale. State and Local oversight plays an important role in avoiding diversion. This recommendation is not intended to cover the issue of a centralized seed-to-sale system overseen by the Department or Department contractors. That issue will be covered in a separate recommendation.*

1. Was there dissent in the group regarding this recommendation? If yes, please provide a summary of the dissenting opinion regarding the recommendation.

*No Dissent*

1. What action(s) will be necessary to adopt the recommendation? Will statute, policy, regulations, etc. need to be addressed?

*There is a solid framework already in place within the Medical regulations which should be mostly adapted to recreational marijuana regulation.*

*“Inventory control system” should be defined as it is in NRS 453A.108 “Inventory control system” means a process, device or other contrivance that may be used to monitor the chain of custody of marijuana used for medical purposes from the point of cultivation to the end consumer.”*

*Section 34 of LCB File No. R148-15 amends NAC 453A.414. The amended section should be adapted into the permanent recreational marijuana regulations with the purpose of providing oversight for inventory control issues. There are standard “medical to recreational” formatting changes required in the language, and the following functional changes should also take place:*

*4. Each cultivation facility, medical marijuana [establishment] dispensary and facility for*

*the production of edible marijuana products or marijuana-infused products shall establish and*

*implement an inventory control system that documents:*

*(a) Each day’s beginning inventory, acquisitions, harvests, sales, disbursements, disposal of*

*unusable marijuana and ending inventory [.] , including, without limitation, the:*

*(1) Number of plants and cuttings;*

*(2) Weight of flowers, measured in grams;*

*(3) Weight of trim, measured in grams;*

*~~(4) Quantity of THC, measured in milligrams;~~ and*

*(5) Weight of seeds, measured in grams.*

*(b) When acquiring medical marijuana from a person who holds a valid registry identification*

*card [or his or her] , including, without limitation, a designated primary caregiver:*

*(1) A description of the medical marijuana acquired, including the amount and strain as*

*specified by the cardholder , [or caregiver,] if known;*

*(2) The name and number of the valid registry identification card of the person who*

*provided the medical marijuana ; [or, if provided by a designated primary caregiver, his or her name;]*

*(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the medical marijuana on behalf of the medical*

*marijuana dispensary; and*

*(4) The date of acquisition.*

*(c) When acquiring medical marijuana from another medical marijuana establishment:*

*(1) A description of the medical marijuana acquired, including the amount, strain and*

*batch number [;] , lot number and production run number, or any combination thereof;*

*(2) The name and identification number of the medical marijuana establishment*

*registration certificate of the medical marijuana establishment providing the medical marijuana;*

*(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the medical marijuana;*

*(4) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the medical marijuana on behalf of the medical marijuana establishment; and*

*(5) The date of acquisition.*

*(d) For each batch of marijuana cultivated:*

*(1) The batch number [.] , lot number and production run number, as applicable.*

*(2) Whether the batch originated from marijuana seeds or marijuana cuttings.*

*(3) The strain of the marijuana seeds or marijuana cuttings planted.*

*(4) The number of marijuana seeds or marijuana cuttings planted.*

*(5) The date on which the marijuana seeds or cuttings were planted.*

*(6) A list of all chemical additives used in the cultivation, including, without limitation,*

*nonorganic pesticides, herbicides and fertilizers.*

*(7) The number of marijuana plants grown to maturity.*

*(8) Harvest information, including, without limitation:*

*(I) The date of harvest;*

*(II) The final yield weight of processed usable marijuana [;] , in grams; and*

*(III) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent responsible for the harvest.*

*(9) The disposal of marijuana that is not usable marijuana, including:*

*(I) A description of and reason for the marijuana being disposed of, including, if*

*applicable, the number of failed or other unusable marijuana plants;*

*(II) The date of disposal;*

*(III) Confirmation that the marijuana was rendered unusable before disposal;*

*(IV) The method of disposal; and*

*(V) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent responsible for the disposal.*

*(e) When providing medical marijuana to another medical marijuana establishment:*

*(1) The amount, strain , [and] batch number , lot number and production run number, as*

*applicable, of medical marijuana provided to the medical marijuana establishment;*

*(2) The name and medical marijuana establishment registration certificate number of the other medical marijuana establishment;*

*(3) The name and medical marijuana establishment agent registration card number of the medical marijuana establishment agent who received the medical marijuana on behalf of the other medical marijuana establishment; and*

*(4) The date on which the medical marijuana was provided to the medical marijuana*

*establishment.*

*(f) When receiving edible marijuana products from another medical marijuana establishment:*

*(1) A description of the edible marijuana products received from the medical marijuana*

*establishment, including the total weight of each edible marijuana product and the ~~[estimated]~~ amount of THC~~, measured in milligrams~~, and [batch] the production run number of the marijuana in each edible marijuana product.*

*(2) The total [estimated] amount and [batch] production run number of marijuana in the edible marijuana products.*

*(3) The name and:*

*(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the edible marijuana products to the receiving medical marijuana establishment;*

*(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the edible marijuana products to the receiving medical marijuana establishment; and*

*(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the edible marijuana products on behalf of the receiving medical marijuana establishment.*

*(4) The date on which the edible marijuana products were provided to the medical marijuana establishment.*

*(g) When receiving marijuana-infused products from another medical marijuana*

*establishment:*

*(1) A description of the marijuana-infused products received from the medical marijuana establishment, including the total weight of each marijuana-infused product and the ~~[estimated]~~ amount of THC~~, measured in milligrams~~, and [batch] the production run number of the marijuana infused in each marijuana-infused product.*

*(2) The total [estimated] amount and [batch] production run number of marijuana infused in the marijuana-infused products.*

*(3) The name and:*

*(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the marijuana-infused products to the receiving medical marijuana establishment;*

*(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the marijuana-infused products to the receiving medical marijuana establishment; and*

*(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the marijuana-infused products on behalf of the receiving medical marijuana establishment.*

*(4) The date on which the marijuana-infused products were provided to the medical marijuana establishment.*

*(h) When receiving concentrated cannabis or products containing concentrated cannabis from a facility for the production of edible marijuana products or marijuana-infused products:*

*(1) A description of the concentrated cannabis or products containing concentrated*

*cannabis received from the facility for the production of edible marijuana products or*

*marijuana-infused products, including the total weight of each product, the amount of THC, ~~measured in milligrams,~~ and the production run number for each product;*

*(2) The name and:*

*(I) Medical marijuana establishment registration certificate number of the medical marijuana establishment providing the concentrated cannabis or products containing concentrated cannabis to the receiving medical marijuana establishment;*

*(II) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent providing the concentrated cannabis or products containing concentrated cannabis to the receiving medical marijuana establishment; and*

*(III) Medical marijuana establishment agent registration card number of the medical marijuana establishment agent receiving the concentrated cannabis or products containing concentrated cannabis on behalf of the receiving medical marijuana establishment; and*

*(3) The date on which the concentrated cannabis or products containing concentrated*

*cannabis were provided to the medical marijuana establishment.*

1. Additional information (cost of implementation, priority according to the recommendations, etc).

*None*