LD 1672
An Act to Allow Participation in the Adult Use Cannabis Tracking System
to Be Voluntary

My name is Lizzy Hayes, I am an organic farmer, a medical cannabis caregiver and a resident of Mercer and I am submitting testimony in support of LD1672 which would remove the requirement that operators use the third party tracking software company contracted by the state. I am not an operator in the adult use industry, however I want to share with the committee information about an alternative to these types of third party software that is used by myself and 500+ other organic farmers in Maine and over 40,000 organic farmers around the country. The seed to sale tracking system we use is our own kept records to demonstrate chain of custody from seed to sale, which is then audited by inspectors to ensure records are kept sufficient to track a product through all stages of plant cultivation or post harvest processing and transit. This is critical to protecting the integrity of the organic label that products labeled organic are truly produced on organic certified operations. The audits are intended to protect against inversion of non-organic products to be sold at the higher value with an organic label. It is to protect against a facility buying in 3 truckloads of organic corn and then making an amount of product that would require 5 truckloads of organic corn.

This record keeping system can be customised to any scale operation, from small backyard market gardeners to large commercial facilities. I think that this is a practical solution to tracking and tracing products in the adult use cannabis industry and would include information that all of these operators already collect. I have attached information about how this system works and ask that you support this bill, stop the funneling of state funds and operators' income to an out of state monopoly. Thank you for your consideration and please support LD1672

EXCERPTS FROM THE MC3 STANDARDS(MOFGA CERTIFIED CLEAN CANNABIS):

*requirements which are meant to demonstrate compliance with organic growing standards and are not relevant to tracking have been removed.

Record Keeping and Practices

Record keeping is a regulatory requirement for medical and adult-use cannabis, much of which can also satisfy some of the record keeping requirements of MOFGA's Clean Cannabis Standards. Documentation should include harvest records, allowing for a mass balance and a trace back audit of materials used in production. Crop production logs and receipts for inputs are also required, such as time of harvest and storage method. Records for culls and seconds must be kept.

NOTE: If you use track and trace software for production and sales recordkeeping, you do not need to duplicate records for Clean Cannabis certification. All records must be available for review at inspection or as requested.

For each batch of cannabis, cultivation operations must maintain records that include at a minimum: **Planting records:**

a) Form of cannabis planted (e.g., seed, clone, seedlings, etc.);
b) Date(s) that planting took place;
c) Varieties planted;
d) Size of the cultivation area; and
e) Location of the cultivation area.

Plant records

a) Each plant must be assigned a plant code unique to that plant. This code is recorded when materials are harvested from the plant. This is required to facilitate traceability of cannabis ingredients back to the plant.

Harvest records:

a) Identity of each variety/strain harvested;
b) Date of harvest;
c) Total weight of cannabis waste resulting from the harvest;
d) Net weight of cured, trimmed harvested cannabis (gross weight less waste), and;
e) Lot code for each harvest.

Production Records:

a) Identify the product made;
b) Date of finished product production;
c) Total number of finished product units and unit weights, and;
d) Any incidental loss incurred during production.
e) Lot codes must be applied to each finished unit. Finished product lot codes must be traceable to harvest lot codes and back to plant codes and plant origin.

Sales records:

a) Receipts showing sales of inventory produced, including wholesale transactions, that can be traced back to production and lots, and;
b) Receipts showing any caregiver to caregiver or caregiver to dispensary sales

Recordkeeping

All aspects of certified clean cannabis production must be verifiable with records. Purchase, production, inventory and sales records are all necessary.

Your inspector must be able to complete both a trace-back and a mass balance audit:

A trace-back audit verifies that records are sufficient to track finished products back to the ingredients used to produce them. To conduct this audit, the inspector will choose a finished product and will trace the product lot numbers through the production system to the ingredient lot number received or the harvest date. Please make sure that all necessary records and lot numbers are in place to support a trace-back audit, including purchase receipts with lots noted.

A mass balance audit verifies that sufficient quantities of MC3 Verified and organic ingredients are produced or purchased and match the amount used in the production of finished products. To conduct this audit, your inspector will examine inventory records of both ingredients and finished product, production records, and sales records. Using your ingredient inventory records the inspector will determine the expected amount of ingredient used over a time period, using batch/production records and finished product inventory the inspector will determine the actual amount of ingredient used and the expected amount of finished product sold. Finally, the inspector will verify the expected amount of finished product sold with actual sales records. Please be sure that ingredient inventory, batch/production records, finished product inventory and sales records are in place to support a mass balance audit.

Lot numbers. The ability to track products and ingredients through handling and processing is vital to assure product compliance. Using lot numbers to track products and ingredients allows for a successful audit trail. Each ingredient received should either have a lot number with it or should be assigned a lot number. Any time MC3 or organic ingredients are combined or blended, a lot number must be assigned to the finished product. If an ingredient is purchased from several sources, the production or batch record should list the source and lot number of each ingredient. Lot numbers can be used to facilitate a product recall if there is a complaint or a food safety issue after a product is produced and/or sold.

EXCERPT FROM MOFGA CERTIFICATION SERVICE PROGRAM RULE:

Recordkeeping by certified operations.

(a) A certified operation must maintain records concerning the production, harvesting, and handling of agricultural products that are or that are intended to be sold, labeled, or represented as “100 percent organic,” “organic,” or “made with organic (specified ingredients or food group(s)).”

(b) Such records must:

(1) Be adapted to the particular business that the certified operation is conducting;

(2) Fully disclose all activities and transactions of the certified operation, in sufficient detail as to be readily understood and audited; records must span the time of purchase or acquisition, through production, to sale or transport and be traceable back to the last certified operation;

(3) Include audit trail documentation for agricultural products handled or produced by the certified operation and identify agricultural products on these records as “100% organic,” “organic,” or “made with organic (specified ingredients or food group(s)),” or similar terms, as applicable;

(4) Be maintained for not less than 5 years beyond their creation; and

(5) Be sufficient to demonstrate compliance with the Act and the regulations in this part.

(c) The certified operation must make such records available for inspection and copying during normal business hours by authorized representatives of the Secretary, the applicable State program's governing State official, and the certifying agent.

INSPECTORS

The inspector's role is to be an impartial and independent reporter of your operation's practices and procedures used to implement the OSP. Information gathered during an inspection is considered confidential and is meant for application evaluation only. Everyone involved in inspection and/or application evaluation has signed an inspector contract, which requires non-disclosure of information to any third party or use of confidential information for personal gain.

● The inspector may tour the farm or plant and review audit trails. A mass balance and traceability exercise may be done.

● Inspectors may provide sufficient information to persons seeking certification to enable them to understand the Requirements of the Rule.

● An inspector may be instructed by MCS to make unannounced inspection visits. ● An inspector may be instructed by MCS to take samples for residue tests at MCS's expense.

Inspector Qualifications

Inspectors shall be professional, objective observers competent to evaluate and report on the conditions and practices on the farm and to verify information submitted in the application. The inspector shall have professional training or equivalent experience in agriculture and organic farming and/or processing practices per the regulations at 205.501. MCS inspectors must enroll in formal inspector training and complete annual training each year. There shall be no conflict of interest in that the inspector shall be financially independent of both the farmer's and the buyer's interests…MCS conducts annual performance evaluations of all persons who conduct inspections, certification review, or implement measures to correct any deficiencies in certification services.In addition,MCS conducts witness audit inspections (field evaluations)of all inspectors at least every 3 years and has procedures in place to improve on any deficiencies identified.