

Missouri Cannabis Regulation Collaborative (MCRC) Meeting Minutes
October 1, 2024
930 Wildwood Drive, Jefferson City, MO 65109

Members Present:

Amy Moore (DHSS) Director, Division of Cannabis Regulation
Andrea Balkenbush (DHSS) Deputy Director, Division of Cannabis Regulation
Jennifer Nelp (DHSS) Executive Assistant, Division of Cannabis Regulation
Elani Barber, Operation Manager, Conti Corp Labs
Ross Bearman, Scientist and Laboratory Manager, Cloud Ten
Traci Black, Vice President of Operation, Dizpot
Michele Bowman, Vice President of Operations and Compliance, Illicit Gardens
Dr. Stephanie Cernicek, Chief Science Officer
Diana Coats, Vice President of Operation, Good Day Farms
Tanisha Dale
Alissa Rarquhar, Compliance Manager, Clovr
Austin Fitzgerald, Proper
Jake Fletcher, Compliance Manager, C3 Industries
James Harman, Owner, Big Time Logistics
Mark Hendren, President, Flora Farms
Nicholas Higbee, Regional Manager, Verts Dispensary
Steve Johnson, President, William Herrick
Chris LeGrand,
Drew Lammert, Chief Legal Officer, MLK Law
Nico Pento, Elevate Cannabis
Nick Rinella, CEO, Hippo
Amanda Schott,
Chris Sellers, Owner, CLS Med-Can Logistics
Thomas Shifflett, President, Fleur de Lis Analytical Laboratories
Leonard Volner, President of North Dispensaries
Lilly Wilson, Vice President of Compliance, Franklin's Stash House

Welcome:

- Amy Moore, Director of the Division of Cannabis Regulation (DCR), welcomed everyone for attending and gave a brief overview of the agenda.
- Amy outlined the meeting structure, reminding members that we are here to work together, think through the big issues, and share our thoughts and ideas.
- If members are unable to attend a meeting, it is okay to send someone in their place. There may be opportunities to bring guests in the future, but to ensure space availability and for productivity reasons, regular meetings are for members only.
- If you need to send someone in your place or if you think it would be productive if a person came along with you, please contact Tara McKinney.

Recall Readiness:

Members conducted a breakout and group discussion about recall readiness. They were given three categories to discuss.

1. How can licensees protect themselves from other licensees' non-compliant actions?
2. What processes can licensees have in place to be ready to react to holds and recalls?
3. Are there any new rules the Department should consider to minimize the impacts of other licensees' non-compliant actions on downstream licenses?

Some members gave feedback regarding transportation, shelf life and vault space, insurance concerns, Metrc, and other concerns. This topic will be continued in additional meetings.

Market Conditions & Forecast:

Amy asked if members have any perceptions about supply and demand in our Missouri market or changes in the supply and demand relationship between facility types in light of the recalls.

Member Feedback:

- Most members agreed that the market has stabilized.
- Some members indicated that there is not a need for additional licenses.
- Some members indicated concerns about limited dispensaries in rural areas of the state and indicated that some consumers may have to drive 100 miles to access a dispensary. Some barriers to this may be because there's just not enough business to justify staying open in an area with 400 people versus 15,000 people.
- Another member added to argue that they are looking to go more to an underserved community because they had three licenses in the same area, and it was too much. They're trying to get off the same block as another store. Amy stated there is new language in Article 14 that wasn't in there before to consider over-concentrated areas.
- A member asked about new comprehensive licenses. Amy said the law says DCR can issue new comprehensive licenses about a year and a half into the program, but at least 50% go to Microbusiness, so there is a limitation. This does not include appeals; for any appeal settlements from the medical marijuana program, there is a settlement authority to issue a medical license to them.

280E

Amy opened a discussion about 280E and how that would impact licensees.

Member Feedback:

- Rescheduling may remove 280E barriers.
- The IRS interpretation is that when the rescheduling happens, it will be immediate but not retroactive. So, make sure to pay your 280E bills because they will be doing audits and seizing assets for those companies that decided not to pay in the hope that it will be forgiven once it's rescheduled.
- 280E may help with delivery costs out to rural areas would be possible. Some licensees canceled their delivery program because 280E was making it too expensive.

Education campaigns:

Amy asked members about education campaigns for the regulated marijuana market and what the department can do. DCR has limited funds for educational campaigns. Members discussed the following questions in breakout groups.

1. How can licensees help educate the public about the regulated vs unregulated market in Missouri?
2. What should be the focus of education about the regulated market?

Member Feedback:

- MoCann trade association has a campaign on how to tell if you're at an actual dispensary.
- Create an official sticker that may be placed on the door to show it's a licensed dispensary.
- Share information about a recall or hold on an actual dangerous product, like mold, that never made it to the consumers due to the checks and balances of regulation.
- Communicate safety measures, such as testing, to ensure that the products are safe for individuals.
- A question was asked whether DCR has jurisdiction to shut down non-license entities. DCR does not have the authority. DCR sent out a survey to all law enforcement entities across the state and asked several questions about what they felt their needs were or what they do and do not understand about cannabis laws in Missouri. DCR is working on law enforcement training that will be POST-certified.
- Provide a "Thank you for your purchase" sticker from a state-licensed facility to show that they've been tested and are safe. There should be no scare tactics.
- Have a catalog of safe products. The problem is that the illicit market is already creating false Metrc labels on their package.
- Provide education on the long-term effects of using products that have heavy metals or pesticides. What does mold do to you when you inhale it?
- Have local governments promote what cannabis industry sales have done to help the community. Some examples include revitalizing local parks to help the community see the benefits of buying from a licensed facility.

Health concerns of those who work within the cannabis industry:

One of the MCRC members suggested this topic. Members had a group discussion.

1. How many of you have heard of a recent rise in the health concerns of employees in the industry?
2. How should licensees and the Department respond to a recent rise in industry employee health concerns?

Member Feedback:

- There was an employee in New Jersey passed away from working in a manufacturing facility.
- Cultivators must wear masks, long sleeves, and glasses, but some still have allergic reactions to certain strains. Due to lack of research, it is difficult to know what measures to take or when there may be a problem.

- There are sometimes airborne allergies.
- Check protocols for air ducts and HVAC systems.
- OSHA has visited some licensees in Missouri.
- In Colorado, businesses with under 250 employees receive a free OSHA review of their facility. If issues are found, the business must correct them.
- In Oregon, they have an annual walkthrough with OSHA, and if any findings are made, they are publicly announced in a bulletin, and they have to fix them.

General Q&A:

Amy opened the floor for additional questions.

- Q: Will there be future guidance on strain submission for template-based items like deli style?
A: Send an email to Tara, and we'll make sure you get the information.
- Q: Will there be a checklist for the new package and labeling guidelines?
A: Yes, DCR is working on a new guide to make it easier to follow the different steps.
- Q: Is there a possibility of a rule change or some tweaks to allow multiple licensed facilities to have centralized distribution places for packaging and distribution? Currently, it is not allowed, but business efficiencies make more sense.
A: DCR is not looking into opening up rules but is keeping a list of suggestions. Suggestions can be sent to Tara, and she'll make sure they get to the right place.
- Q: Is there a way to differentiate the hold without doing a deep dive into the Metrc tag?
A: DCR is looking into it and knows instances where some products were caught in the hold but shouldn't have been. There should have been a disassociation at the licensee level, but it didn't happen. Andrea asked to send an example, and they'll look into it.
- Q: If we inform you it shouldn't be on hold, will you not allow someone to destroy the product?
A: Amy said they don't get many destruction requests, but we will look at that.
- Q: Can compliance officers communicate with other facility compliance officers when a product is coming back? We are used to products coming in and working from manifest, but we don't want 20 products to come back and only 18 are approved. Another person added they received another facility products, because they had the same name, but not the same license number.
A: DCR will follow up on this question.

Amy thanked everyone for attending. The meeting was adjourned.