

PERMITTED LICENSEE ACTIVITIES

Section for Compliance and Enforcement June 2025

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Introduction

In addition to general licensee requirements, cultivation, manufacturing and dispensary licensees are required to comply with department rule 19 CSR 100-1.160, 19 CSR 100-1.170 and 19 CSR 100-1.180, respectively. To comply with all rule requirements, licensees must take the entirety of 19 CSR 100-1 into consideration. This guide reviews examples of permitted cultivation, manufacturing and dispensary licensee activities and provides clarifying information that licensees should use jointly with 19 CSR 100-1. The information in this guide is for general purposes only and does not, and is not intended to, constitute legal advice or replace the need for department approval, where applicable.

Permitted Cultivation Activities

Cultivation facility, defined in 19 CSR 100-1.010(19), means a medical marijuana cultivation facility, a comprehensive marijuana cultivation facility or a microbusiness wholesale facility licensed to cultivate marijuana.

Pursuant to 19 CSR 100-1.010(11), (59) and (70), cultivation licensees have the authority to engage in the process of cultivating marijuana for medical and/or adult use.

Pursuant to 19 CSR 100-1.160(1)(A), this authority includes the ability to:

1. Acquire and transfer marijuana, marijuana seeds and clones from another cultivation facility.

<u>Mote:</u> Transportation of marijuana product may be completed by a transportation licensee or through self-transport.

Allows licensees to:

- Acquire marijuana plants, including seeds and clones.
 - o Acquire marijuana genetics from another cultivation licensee.
- Transfer marijuana plants, including seeds and clones.
 - Sell or distribute marijuana genetics to another cultivation licensee.
- Acquire marijuana product being returned to the originating cultivation facility.
- Transfer marijuana product being returned to the originating cultivation facility.
- Acquire marijuana product for further processing.

Note: Further processing means producing a new marijuana product from a marijuana product provided by another licensee. It must include performing some action that alters, transforms or changes a marijuana product into a final marijuana product, which may include activities such as trimming and sorting for a cultivation licensee.

- Further processing includes activities such as:
 - Cultivating seeds/clones.
 - Processing bud/flower into ground bud/flower.
 - Creating prerolls from ground bud/flower.
- Transfer marijuana product for further processing.
- Acquire final marijuana product that is compliantly packaged and labeled.
- Transfer final marijuana product that is compliantly packaged and labeled.

- Acquire final marijuana product that is not compliantly packaged and labeled.
- Transfer final marijuana product that is not compliantly packaged and labeled.

2. Acquire and transfer marijuana seeds from entities not licensed under this chapter if doing so does not violate state or federal law.

Allows licensees to:

· Acquire marijuana seeds from third parties.

Note: DCR requires licensees to record marijuana seeds acquired from third parties into Metrc upon entry into licensee's facility.

 Transfer seeds acquired from third parties to their own cultivation facility or warehouse storage facility.

Additional information may be found at: https://health.mo.gov/safety/cannabis/pdf/metrc-new-genetics-guidance.pdf

3. Acquire and transfer marijuana product from a manufacturing facility or dispensary facility.

Allows licensees to:

- Acquire marijuana product being returned to the originating cultivation facility.
- Transfer marijuana product being returned to the originating cultivation facility.
- Acquire marijuana product for further processing.
 - o Further processing includes activities such as:
 - Processing bud/flower into ground bud/flower.
 - Creating prerolls from ground bud/flower.
- Transfer marijuana product to the licensee's facility for further processing.
- Acquire final marijuana product that is compliantly packaged and labeled.
- Transfer final marijuana product that is compliantly packaged and labeled.

Common examples of non-permitted activities:

- Acquire final marijuana product that is not compliantly packaged and labeled.
- Transfer final marijuana product that is not compliantly packaged and labeled.

4. Cultivate marijuana.

Allows licensees to:

- Cultivate marijuana, which includes activities such as:
 - o Breeding.
 - o Propagation.
 - o Planting.
 - Fertigation.
 - o Tending/Pruning.

5. Process, package and store (on-or off-site) marijuana product.

Allows licensees to:

- Process marijuana product, which includes activities such as:
 - o Manicuring.
 - Harvesting.
 - o Drying.
 - o Curing.
 - o Trimming.
 - Sorting.

- o Grinding.
- Creating prerolls.
- Package marijuana product cultivated or produced by the licensee, which includes activities such as:
 - Placing marijuana product in bulk packaging for transfer to another licensee for further processing.
 - Submission of items through Item Approval Process.
 - o Placing final marijuana product in compliant packaging.
 - Labeling final marijuana product.
- Store marijuana product at the licensed facility or its own warehouse location.

Common examples of non-permitted activities:

- Produce infused products.
- Complete final marijuana product activities, such as mandatory testing or packaging, on final marijuana product cultivated or produced by another licensee.
- Package marijuana product directly for consumers or individual ID cardholders.

6. Transfer marijuana product to or from its own warehouse storage facility, another cultivation facility, manufacturing facility or dispensary facility.

Allows licensees to:

- Transfer marijuana product pursuant to 19 CSR 100-1.140.
- Transfer marijuana product to be further processed.
- Transfer marijuana product to and from the licensee's warehouse facility.
- Transfer final marijuana product that is compliantly packaged and labeled to another cultivation facility, manufacturing facility or dispensary facility.

Common examples of non-permitted activities:

- Transfer final marijuana product that is not compliantly packaged and labeled.
- Transfer marijuana product between its licensed warehouse and another licensed facility.
- Transfer marijuana product between its licensed facility and another licensed facility warehouse.
- Transfer marijuana product to consumers or individual ID cardholders.

7. Transfer marijuana product to a testing facility.

Allows licensees to:

- Transfer marijuana product produced by the licensee to a testing facility for mandatory testing.
 - Transportation of marijuana products may be completed by a transportation licensee, the testing licensee or through self-transport.
- Transfer marijuana product to a testing facility for voluntary testing.

Common examples of non-permitted activities:

 Transfer marijuana product not produced by the licensee to a testing facility for mandatory testing.

8. Sell marijuana product to another cultivation facility, manufacturing facility, dispensary facility or testing facility.

Allows licensees to:

- Sell marijuana product produced by the licensee to another licensee.
- Sell final marijuana product that is compliantly packaged and labeled to another licensee.

Common examples of non-permitted activities:

• Sell marijuana product to consumers or individual ID cardholders.

Pursuant to 19 CSR 100-1.160(1)(B), cultivation licensees have the authority to produce and sell prerolls. Cultivation licensees do not have the authority to manufacture marijuana-infused products, including infused prerolls.

Permitted Manufacturing Activities

Manufacturing facility, defined in 19 CSR 100-1.010(47), means a medical marijuana-infused products manufacturing facility, a comprehensive marijuana-infused products manufacturing facility or a microbusiness wholesale facility licensed to manufacture marijuana.

Pursuant to 19 CSR 100-1.010(15), (63) and (70), manufacturing licensees have the authority to engage in the process of manufacturing marijuana-infused products for medical and/or adult use.

Pursuant to 19 CSR 100-1.170(1)(A) provides that this authority includes the ability to:

1. Acquire and transfer marijuana from a cultivation facility.

Note: Transportation of marijuana product may be completed by a transportation licensee or through self-transport.

Allows licensees to:

• Acquire marijuana product for further processing.

<u>Note:</u> Further processing means producing a new marijuana product from a marijuana product provided by another licensee. It must include performing some action that alters, transforms or changes a marijuana product into a final marijuana product, which may include activities such as whipping or sugarcoating for a manufacturing licensee.

- Further processing includes activities such as:
 - Processing shake/trim, biomass or bud/flower into a concentrate.
 - Creating infused prerolls from ground shake/trim and concentrate.
- Transfer marijuana product for further processing.
- Acquire final marijuana product that is compliantly packaged and labeled.
- Transfer final marijuana product that is compliantly packaged and labeled.

Common examples of non-permitted activities:

- Acquire final marijuana product that is not compliantly packaged and labeled.
- Transfer final marijuana product that is not compliantly packaged and labeled.

2. Acquire and transfer marijuana product from another manufacturing facility.

Note: See department-initiated variance (Appendix A) for permitted licensee activities related to licensee authority issued on August 22, 2024.

Allows licensees to:

- Acquire marijuana product for further processing.
 - o Further processing includes activities, such as:
 - Processing a concentrate into an edible marijuana product.
 - Creating infused prerolls from ground shake/trim and concentrate.
- Transfer marijuana product for further processing.
- Acquire marijuana product being returned to the originating manufacturing facility.
- Transfer marijuana product being returned to the originating manufacturing facility.
- Acquire final marijuana product that is compliantly packaged and labeled.
- Transfer final marijuana product that is compliantly packaged and labeled.

Common examples of non-permitted activities:

- Acquire final marijuana product that is not compliantly packaged and labeled.
- Transfer final marijuana product that is not compliantly packaged and labeled.

3. Acquire and transfer marijuana product from a dispensary facility.

Allows licensees to:

- Acquire marijuana product for further processing.
 - o Further processing includes activities such as:
 - Processing a concentrate into an edible marijuana product.
 - Creating infused prerolls from ground bud/flower and concentrate.
- Transfer marijuana product to the licensee's facility for further processing.
- Acquire final marijuana product that is compliantly packaged and labeled.
- Transfer final marijuana product that is compliantly packaged and labeled.

Common examples of non-permitted activities:

- Acquire final marijuana product that is not compliantly packaged and labeled.
- Transfer final marijuana product that is not compliantly packaged and labeled.

4. Process and store (on- or off-site) marijuana product.

Allows licensees to:

- Process marijuana product produced or acquired by the licensee.
 - o Processing includes activities, such as:
 - Grinding.
 - Extracting.
 - Distilling.
 - Isolating.
 - Purging.
 - Formulating.
 - Creating prerolls.
 - Creating infused prerolls.
- Store marijuana product at the licensed facility or warehouse location.

Common examples of non-permitted activities:

Produce bud/flower or ground material.

5. Manufacture and package marijuana-infused products and prerolls.

Allows licensees to:

- Manufacture marijuana product.
 - Manufacture includes activities such as:
 - Extracting.
 - Distilling.
 - Isolating.
 - Purging.
 - Processing.
- Package marijuana product produced by the licensee.
 - Placing marijuana product in bulk packaging for transfer to another licensee for further processing.
 - Submission of items through Item Approval Process.
 - Placing final marijuana product in compliant packaging.
 - Labeling final marijuana product.

Common examples of non-permitted activities:

- Complete final marijuana product activities, such as mandatory testing or packaging, on final marijuana product cultivated or produced by another licensee.
- Manufacture or package marijuana product directly for consumers or individual ID cardholders.

6. Transfer marijuana product to or from its own warehouse storage facility, another manufacturing facility, cultivation facility or dispensary facility.

Allows licensees to:

- Transfer marijuana product pursuant to 19 CSR 100-1.140.
- Transfer marijuana product to be further processed.
- Transfer marijuana product to and from the licensee's warehouse facility.
- Transfer final marijuana product that is compliantly packaged and labeled to another cultivation facility, manufacturing facility or dispensary facility.

- Transfer final marijuana product that is not compliantly packaged and labeled.
- Transfer marijuana product between its licensed warehouse and another licensed facility.
- Transfer marijuana product between its licensed facility and another licensed facility warehouse.
- Transfer marijuana product to consumers or individual ID cardholders.

7. Transfer marijuana product to a testing facility.

Allows licensees to:

- Transfer marijuana product produced by the licensee to a testing facility for mandatory testing.
 - Transportation of marijuana product may be completed by a transportation licensee, the testing licensee or through self-transport.
- Transfer marijuana product to a testing facility for voluntary testing.

Common examples of non-permitted activities:

 Transfer marijuana product not produced by the licensee to a testing facility for mandatory testing.

8. Sell marijuana product to another manufacturing facility, cultivation facility, dispensary facility or testing facility.

Allows licensees to:

- Sell marijuana product produced by the licensee to another licensee.
- Sell final marijuana product that is compliantly packaged and labeled to another licensee.

Common examples of non-permitted activities:

• Sell marijuana product to consumers or individual ID cardholders.

Pursuant to 19 CSR 100-1.170(1)(B), manufacturing licensees have the authority to manufacture marijuana-infused products including prerolls and infused prerolls.

Permitted Dispensary Activities

Dispensary facilities as defined by 19 CSR 100-1.010(24) means a medical marijuana dispensary facility, a comprehensive marijuana dispensary facility or a microbusiness dispensary facility.

Pursuant to 19 CSR 100-1.010(13), (61) and (67), dispensary licensees have the authority to engage in the process of dispensing marijuana for medical and/or adult use.

Pursuant to 19 CSR 100-1.180(1)(A), a dispensary licensee has the authority to:

1. Acquire and transfer marijuana, marijuana seeds, clones and prerolls from a cultivation facility.

Allows licensees to:

- Acquire final marijuana product that is compliantly packaged and labeled.
- Transfer final marijuana product that is compliantly packaged and labeled.
- Acquire immature marijuana seeds and plants/clones sold to individual ID cardholders.
- Transfer immature marijuana seed and plants/clones sold to individual ID cardholders.
- Acquire ground unprocessed marijuana for creating prerolls.
- Transfer ground unprocessed marijuana for creating prerolls.

Common examples of non-permitted activities:

- Acquire immature marijuana plants that have not yet been purchased by an authorized home cultivator.
- Transfer immature marijuana plants that have not yet been purchased by an authorized home cultivator.
- Acquire marijuana product for further processing except ground unprocessed marijuana for creating prerolls.
- Transfer marijuana product for further processing except ground unprocessed marijuana for creating prerolls.

Note: Further processing means producing a new marijuana product from a marijuana product produced by another licensee.

- Acquire marijuana product that has not passed mandatory testing except ground unprocessed marijuana for creating prerolls, seeds and immature marijuana plants/clones.
- Transfer marijuana product that has not passed mandatory testing except ground unprocessed marijuana for creating prerolls, seeds and immature marijuana plants/clones.

2. Acquire and transfer marijuana products from a manufacturing facility.

<u>Note:</u> See department-initiated variance (Appendix A) for permitted licensee activities related to licensee authority issued on August 22, 2024

Allows licensees to:

- Acquire final marijuana product that is compliantly packaged and labeled.
- Transfer final marijuana product that is compliantly packaged and labeled.

Common examples of non-permitted activities:

- Acquire immature plant/clones from a manufacturing facility.
- Transfer immature plant/clones from a manufacturing facility.
- Acquire marijuana product from a manufacturing facility for further processing.
- Transfer marijuana product from a manufacturing facility for further processing.
- Acquire from a manufacturing facility marijuana product that has not passed mandatory testing.
- Transfer from a manufacturing facility marijuana product that has not passed mandatory testing.

3. Acquire and transfer marijuana product from another dispensary facility.

Allows licensees to:

- Acquire final marijuana product that is compliantly packaged and labeled.
- Transfer final marijuana product that is compliantly packaged and labeled.

Common examples of non-permitted activities:

- Acquire immature plant/clones from a dispensary facility.
- Transfer immature plant/clones from a dispensary facility.
- Acquire marijuana product from a dispensary facility for further processing.
- Transfer marijuana product from a dispensary facility for further processing.
- Acquire from a dispensary facility marijuana product that has not passed mandatory testing.
- Transfer from a dispensary facility marijuana product that has not passed mandatory testing.

4. Create and sell prerolls, which does not include the grinding of marijuana for use in prerolls or manufacture of marijuana-infused products.

Allows licensees to:

- Create prerolls from ground unprocessed marijuana.
- Sell prerolls.

Common examples of non-permitted activities:

- Sell final marijuana product that has not passed mandatory testing to consumers and individual ID cardholders.
- Grind unprocessed marijuana for the use in prerolls.
- Create marijuana-infused prerolls.

5. Package and store (on- or off-site) marijuana product and drug paraphernalia used to administer marijuana product.

Allows licensees to:

 Package marijuana product produced by the licensee, including marijuana in custom amounts and dispensed directly to consumers and individual ID cardholders.

- Package includes activities such as:
 - Placing marijuana product in bulk packaging for transfer to another licensee for further processing.
 - Submission of items through Item Approval Process.
 - Placing final marijuana product in compliant packaging.
 - Labeling final marijuana product.
- Package drug paraphernalia used to administer marijuana product separate from marijuana product.
- Store marijuana product at the licensee's facility or its own warehouse location.
- Store immature marijuana plants/clones sold to consumers and individual ID cardholders.
- Store drug paraphernalia used to administer marijuana product.

Common examples of non-permitted activities:

- Complete final marijuana product activities, such as mandatory testing or packaging, on final marijuana product cultivated, manufactured or produced by another licensee.
- Store marijuana product, cultivated, manufactured or produced by another licensee that has not passed mandatory testing except ground unprocessed marijuana for creating raw prerolls.
- 6. Transport and sell or distribute marijuana product and drug paraphernalia to another dispensary facility, manufacturing facility, cultivation facility, testing facility or individuals authorized to purchase marijuana product for personal or medical use.

<u>Note:</u> Transportation of marijuana product may be completed by a transportation licensee or through self-transport.

Allows licensees to:

- Transfer marijuana product pursuant to 19 CSR 100-1.140.
- Transfer marijuana product to be further processed.
- Transfer marijuana product to and from the licensee's warehouse facility.
- Transfer final marijuana product that is compliantly packaged and labeled to a cultivation facility, manufacturing facility or another dispensary facility.
- Transfer marijuana product produced by the licensee to a testing facility for mandatory testing.
 - Transportation of marijuana product may be completed by a transportation licensee, the testing licensee or through self-transport.
- Transfer marijuana product to a testing facility for voluntary testing.
- Sell or distribute final marijuana product to consumers and patients.
- Transport through delivery final marijuana product to consumers and patients.

<u>Note:</u> A medical dispensary licensee may only sell or distribute to individuals who are patients or primary caregivers. A comprehensive or microbusiness dispensary licensee may sell or distribute to individuals who are consumers and individual ID cardholders.

- Transfer marijuana product not produced by the licensee to a testing facility for mandatory testing.
- Sell final marijuana product that has not passed mandatory testing to consumers or individual ID cardholders.

7. Transfer marijuana product to or from its own warehouse.

Allows licensees to:

• Transfer marijuana product to and from the licensee's warehouse facility.

- Transfer marijuana product between the licensee's warehouse and another licensee's facility.
- Transfer marijuana product between the licensee's facility and another licensee's warehouse.
- Transfer through delivery final marijuana product to consumers or individual ID cardholders from own warehouse location.

General Licensee Reminders

In addition to the licensee specific areas of rule listed in this guide, 19 CSR 100-1 provides several areas reaffirming a licensee's inability to complete final marijuana product activities on final marijuana product cultivated, manufactured or produced by another licensee. A few applicable areas of rule include, but are not limited to:

- 19 CSR 100-1.010(33) Defines final marijuana product.
- 19 CSR 100-1.110(6)(G)4 Requires testing to be ordered by the licensee who produced the product being tested.
- 19 CSR 100-1.110(6)(J) Requires product that has passed mandatory testing to remain in the same lot.
- 19 CSR 100-1.120 Requires department approval of all marijuana product designs, packaging designs and label designs; requires packaging and labeling to be done by the licensee providing the final marijuana product.

Each licensee holds a separate license and will be treated as such by DCR, regardless of affiliation with another licensee(s). Additionally, shared space is for the purpose of sharing space, not activities that are not permitted by each licensee.

The above guidance will not cover all scenarios or situations. It is each licensee's responsibility to apply the rule and guidance to their own particular processes. Licensees should communicate with assigned compliance staff members when unsure of whether an activity is compliant. When unsure, DCR expects licensees to confirm an activity's compliance with assigned DCR staff prior to taking the action.

DCR expects licensees to immediately comply when given direction. This includes updating and training employees on any standard operating procedure changes.

For questions or feedback please email <u>CannabisCompliance@health.mo.gov.</u>

Appendix A



Missouri Department of Health and Senior Services

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Paula F. Nickelson

Michael L. Parson Governor

August 22, 2024

Missouri Facility Licensees

RE: Department-initiated variance for permitted activities related to licensee authority

Licensees,

Pursuant to 19 CSR 100-1.020(1)(A), the Division of Cannabis Regulation (DCR) is granting a variance by modifying the provisions of 19 CSR 100-1.170(1)(A)2 and 19 CSR 100-1.180(1)(A)2 regarding the requirement for manufacturing and dispensary licensees acquiring and transferring marijuana product.

The **current requirement** in 19 CSR 100-1.170(1)(A)2 provides:

2. Acquire and transfer marijuana product from another manufacturing facility to further process;

DCR is **modifying** this provision to provide:

2. Acquire and transfer marijuana product from another manufacturing facility;

The **current requirement** in 19 CSR 100-1.180(1)(A)2 provides:

2. Acquire and transfer marijuana-infused products and prerolls from a manufacturing facility;

DCR is **modifying** this provision to provide:

2. Acquire and transfer marijuana product from a manufacturing facility;

DCR has determined good cause for granting this variance is to provide manufacturing licensees the same ability as cultivation and dispensary licensees to acquire and transfer final marijuana product that has been compliantly packaged and labeled; and provides dispensary licensees the ability to acquire and transfer marijuana product from a manufacturing licensee. See Permitted Licensee Activities 8.22.24 for additional information on licensees permitted activities.

Thank you,

Andrea Balkenbush, Deputy Director Division of Cannabis Regulation Department of Health & Senior Services