



MEMORANDUM

TO: Medical Marijuana Control Program Advisory Committee Members

FROM: Justin Hunt, Chief Operating Officer Medical Marijuana Program, Ohio Department of Commerce

RE: Proposed Cultivator Rules Changes

DATE: December 13, 2016

The Department of Commerce received more than 75 responses during the public comment period for the cultivator rules. Over the past two weeks, the team reviewed the submissions and considered the suggested changes and modifications to the cultivator rules. In general, the majority of the feedback received can be categorized into the following areas:

- The number of provisional licenses issued for Level I and Level II cultivators.
- The square footage limitations placed on Level I and Level II cultivators.
- The ability to expand the marijuana cultivation area of an existing cultivator facility.
- The fees associated with the licenses and associated costs of obtaining licenses under Ohio's Medical Marijuana Control Program (MMCP).
- The financial responsibility requirements that must be met by Level I and Level II cultivators.
- The impact on the environment and cultivation practices that increase the quality and safety of medical marijuana.
- The use of pesticides and fertilizers during cultivation.
- The packaging requirements and expiration of medical marijuana.

Based on feedback from the public received during the general comment period, guidance from the industry consultant regarding the cultivation of medical marijuana and discussions between the stakeholders responsible for the MMCP, the following changes are being proposed to the cultivator rules:

- Increase the number of Level II cultivator licenses that may be issued until September 8, 2018, at the discretion of the director, from 6 provisional licenses to 12 provisional licenses.
- Adjust the marijuana cultivation area square footage ceiling for Level I cultivators to 25,000 square feet (initially 15,000) and Level II cultivators to 3,000 square feet (initially 1,600).

- Provide for a one-time build out of the marijuana cultivation area not to exceed the marijuana cultivation area square footage limits identified above (i.e. maximum of 50,000 square feet for Level I and 6,000 square feet for Level II after one-time expansion).
- Add a general liability and products liability insurance policy requirement to the financial responsibility section with coverage limits and terms established by the director.
- Reduce the surety bond and escrow limits to \$1,500,000 for Level I cultivators and \$150,000 for Level II cultivators and establish triggers on an annual basis to reduce this amount by \$500,000/\$50,000 per year if conditions are met by the cultivator.
- Allow cultivators to place logos on packaging and labeling indicating third party certifications related to cultivation techniques approved by the department (i.e. “certified organic”).
- Permit cultivators to use pesticides and fertilizers on the department’s approved list for 21 days after plants are moved into the flowering stage of cultivation.
- Authorize composting in a secure area that can be used in the cultivator’s operations.
- Require that all plant material that will be shipped to a dispensary and intended to be consumed by a patient undergo specific testing analysis to ensure product safety and quality and establish a different set of tests for plant material that will be shipped to a processor for extraction.