

Want to know where your marijuana was grown? Yolo County experiments with field-to-storefront tracking system

By Peter Hecht, Sacramento Bee

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In a Yolo County farming belt known for tomatoes and wine grapes, Robin Miller remembers picking up on a rumor in 2015 about a marijuana grower in the area.

“We started to hear talk in town that people were worried about a cannabis garden west of Woodland,” she said.

So Miller, one of three chief officers for a medical marijuana collective called Yolo Botanicals, invited out the local newspaper and announced it was true.

She hosted officials from the District Attorney’s Office and multiple county agencies, offering them tours of the collective’s 1-acre farm, with its multiple greenhouses and steel shipping containers that serve as drying and processing rooms. “We wanted people to know that we were not scary – we were farmers,” Miller said.

Now Miller is among the first dozen Yolo County cannabis farmers to participate in a pilot program designed to train marijuana producers to label, register and ship their products to market – while also aiming to ease their fears over participating in a regulated industry.

Under a \$30,000 contract, to be paid for by fees on pot growers, the Yolo County Department of Agriculture is partnering with a Swiss security firm to create a tagging and tracking program that will enable local marijuana growers to track their plants and products through the supply chain, from cultivation to product manufacturing and retail dispensaries. The effort is focused on medicinal producers, not recreational marijuana.

Under state regulations designed to prevent diversion of pot to the black market and help ensure product safety, California by 2018 is to put in place a statewide “track and trace” program to monitor how marijuana is produced and delivered among licensed farmers, distributors, laboratories, manufacturers and retail dispensaries.

Until the state program takes form, Yolo County is among a fraction of California local governments stepping forward to create their own programs to regulate marijuana production and offer potential models for government oversight.

“We wanted to work all the bugs out of it ... to be an aid to the state in helping them select an appropriate program for track and trace,” said county agricultural commissioner John Young.

Yolo County signed a contract with SICPA, a global firm that develops tracking technology for passports, bank notes and other products. Since 2005, the firm’s processes have been used by the State Board of Equalization to track 900 million packs of cigarettes a year for excise tax collections.

SICPA, one of a handful of companies hoping to secure a contract for the California track and trace program, tested its marijuana-tracking methodology by starting with 10 growers in Humboldt County during the harvest and packaging season last year and early this year.

Under that effort, 30,000 stamps were affixed to 1,800 pounds of medicinal marijuana packaged, shipped and tracked en route to marijuana dispensaries or manufacturers in 47 cities. The bar-coded stamps assign each packaged product a specific number. That number, in turn, is affiliated with an online file that contains information such as grower, strain, quantity and all the stops the product makes from field to storefront.

Humboldt County is processing 2,300 applications for cultivation permits and soon will request proposals from security and tracking firms to run a permanent track and trace program. As word of the pilot project spread, inquiries flooded in from other Humboldt growers, said the county's agriculture commissioner, Jeff Dolf.

"They are all wanting access to that stamp," he said. "They're asking, 'How do I participate?'"

Last week, Yolo cannabis farmers crowded into a small room in the county agricultural building in Woodland to begin a similar experiment. Julien Zanchi, SICPA's director of product management, and a team of affiliated trainers distributed bar-coded strips with the Yolo County logo for growers to affix to their plants and use to seal packaged products.

The farmers studied their laptops as instructor Erika Guerra of Form 10 Group Inc., a Monterey company that also works with the state tobacco program, instructed them on assigning product data for shipping to market.

"You're creating your catalog for your dried flowers or your extracts," Guerra began. "Your clients can use a phone app to download the product code. The results will show the (marijuana) strain or the product contents. You can learn about the farm where the product came from. And this is accessible from any browser, including your smartphone."

In coming weeks, Yolo County plans to train 98 medical cannabis cultivators and producers who were issued local licenses after meeting last October's deadline for applying for growing permits. Under the program, the growers will be responsible for tagging their plants and entering transaction and shipping information. In addition to tracking data, as traceable as FedEx deliveries, county agriculture officials will also inspect gardens at planting and harvest time.

Young said the county plans to sign a contract with an Oakland laboratory, Steep Hill Labs, to test Yolo County cannabis for pesticides and toxins. The product purity results will be included in the track and trace system.

"Soon you will know what flavor the cannabis is, where it is grown, whether in a greenhouse or in the field," said Miller of Yolo Botanicals. "It's great. They can keep track of the medicine all the way back to the source. There will be lab reports and accountability to be free of molds and pesticides."

Miller said she is excited by the new era of compliance, but feels a bit overwhelmed by the amount of work track and trace may involve. "What I don't like about it is that it's another job," she said. "Regulation is now a whole other line item on the to-do list."

The county's pilot program and the pesticide-testing regimen will be funded by licensed growers paying \$9,100 in first-year application and permit fees. In addition, the county is imposing a \$1.60-per-square-foot fee for cultivation of non-psychoactive marijuana plants – bred with an ingredient called CBD – and \$2.48-per-square-foot charge for marijuana plants bred for THC, the ingredient that gets people high.

As the program takes shape, Young said he hopes it will send a message for other growers that it is safe to seek entry into the state-regulated marijuana economy.

“There are an estimated 1,000 growers in Yolo County. Ten percent want to be legal and participate,” said Young. “This is an industry that has had to operate in the shadows for a long time. And they don't trust us. So they have to get word of the experiences of their fellow growers” in the pilot program.

Another such trust-building exercise unfolded earlier in Humboldt County, where legions of growers accustomed to the black market long have been suspicious of government oversight.

The pilot program there didn't require tagging of individual marijuana plants. Instead SICPA and Humboldt officials calculated cannabis production based on a grower's square footage and type of plants. The idea was that if an inspection at harvest didn't match what was expected at planting that was potential evidence of diversion to the black market.

The Humboldt system required producers to package their products in retail-ready containers – such as single grams of cannabis concentrates or one-eighth ounce units of dried buds, all sealed with stickers bearing the Humboldt County logo. It turned out the labeling was a big hit with dispensaries.

“We began to hear from dispensaries that they preferred the retail-ready package,” said Humboldt agriculture commissioner Jeff Dolf. “They liked the Humboldt County stamp, and they made dispensary space ready for the product because it was special and stood out.”

Zanchi of SICPA said California's eventual track and trace program will be more far-reaching than anything in other states because of the vast marijuana culture in the Golden State.

“California has been the cultivation center of the United States,” Zanchi said. “There may be 20,000 to 30,000 operators in California, from cultivators to manufacturers to distributors to dispensaries. ... You have to enable all these people to get into the system and get compliant.”

Much of that will be up to the state Department of Food and Agriculture, which is charged with creating the statewide program. Amber Morris, branch chief of CalCannabis Cultivation Licensing, the department's marijuana regulation division, said all licensed marijuana producers ultimately will use the state system. But local governments can create oversight models to supplement the state program, and for now she is gladly watching what they come up with.

“We are trying to learn as much from the locals as we can, and we'll continue to use them as a resource,” Morris said.