



Summary of Cannabis Farmers Council Survey on Regulatory Issues September – October 2017

A. INTRODUCTION

In September and October, the Cannabis Farmers Council conducted an email survey on regulatory issues of concern to licensed Producers and Producer/Processors, and this paper summarizes the results of that survey.

These results identify issues viewed as important to licensed cannabis farmers in Washington, and reveal a compelling uniformity of opinion on most of the issues presented. Some of these issues are under active review by the Liquor and Cannabis Board, while others may offer new perspectives and concerns.

A few issues attracted widely divergent opinions, and these have been omitted from this summary because the CFC does not generally take a position on issues where a common consensus among cannabis farmers cannot be determined.

We urge you to take these findings into account as you consider regulatory improvements in the coming months.

B. SURVEY METHODOLOGY

The survey was distributed to all licensed cannabis farmers on the CFC's email list (+900 addresses) in September and October 2017 using the Constant Contact platform.

A total of 118 responses were received. Given the high number of producers reporting no sales in recent months (over 400 at last count), we believe the feedback received could represent between 15% and 20% of the truly active cannabis producers in the state.

Respondents were asked to use a 5-point scale to rate a series of policy proposals:

1 = Fully Support	2 = Favorable	3 = Neutral/Undecided	4 = Not Favorable	5 = Fully Oppose
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The results presented by Constant Contact use a Rating Score for each of the regulatory issues identified. The lower the Rating Score on the 5-point scale, the more supportive of the particular issue statement.

In preparing the summary below, we have considered that:

- Rating Scores of **1.5 or lower signify near unanimous support** for an individual policy with virtually no undecideds or opponents.

- Rating Scores of **2.0 or lower signify overwhelming support** for an individual policy with no significant number of undecideds or opponents.
- Rating Scores of **2.1 or higher signify lack of a true consensus** and, therefore, are not included in this summary.

The issues raised in the survey fall into four broad categories:

- Compliance,
- Packaging & Labeling,
- Quality Assurance, and
- Miscellaneous.

The summary is presented in that same order, with the results being listed in the order of support garnered among farmers. The parenthetical notation following each policy issue below is the Rating Score on the 5-point scale.

Additional details of the survey methodology are provided in an endnote.

The text of each of the enumerated policy issues below is identical to that used in the survey itself.

C. COMPLIANCE ISSUES

Near Unanimous Support (Rating Score of 1.5 or lower)

1. Require Compliance Officers to give at least one written warning for specified minor administrative violations prior to a written notice of violation. (1.1)
2. Permit changes to the manifested vehicle and/or driver at any time prior to commencement of the trip, without resetting the 24-hour delivery quarantine. (1.1)
3. For three months following the introduction of the new traceability system in October, instruct Compliance Officers to adopt a supportive and educational stance toward licensees by correcting rather than penalizing minor operational errors. (1.1)
4. Encourage self-reporting of compliance issues by excusing licensees who self-report compliance issues and are seeking advice or taking active steps to remedy the problem. (1.2)
5. Rescind all existing physical quarantine requirements, starting with the 72-hour quarantine for waste material. (1.3)
6. Direct more investigative and enforcement efforts toward ongoing unfair business practices, e.g., improper vertical & horizontal business relationships, predatory pricing, major canopy limit violations, & illegal use of imported additives in 502 products. (1.4)
7. Prepare and publish a "compliance field manual" for use by both licensees and Compliance Officers to provide practical guidance on the application of statutory and regulatory provisions to actual operational situations. (1.4)

8. Post online monthly compilations of written advice and explanations provided to licensees by the MJ Examiner, especially for situations that may be of general interest. (1.5)

D. PACKAGING & LABELING ISSUES

Near Unanimous Support (Rating Score of 1.5 or lower)

1. Allow for a grace period of 12 months for Processors to comply with any new packaging & labeling requirements, and allow retailers to sell all back stock until sold out, however packaged and labeled. (1.4)
2. Limit the information & warnings required on product labels, including those related to child-deterrence, to only those required by statute and no more. (1.5)
3. Require testing labs to provide potency test results in a standard, uniform, easy-to-read table as part of the lab's analysis report to the Producer/Processor. (1.5)

Overwhelming Support (Rating Score of 2.0 or lower)

4. Clarify that the only "accompanying materials" to come from Producer/Processors is that known only to them, e.g., pesticides used, and that all other required accompanying materials come from Retailers. (1.6)
5. Allow the "accompanying materials" that must be provided to the customer at the time of retail purchase to be provided by posting online at a site identified on the product label. (1.6)
6. Refrain from adopting a Universal Symbol for cannabis products, unless it permits "streamlining" by replacing text warnings on the label that take up more space than the symbol itself. (1.6)
7. Eliminate the current single-number potency indicator (e.g., 21.06% THCMax) in favor of the label stating a likely range of potency based on the actual test results of a relevant sample, such as "between 18% and 24% THCMax". (1.9)
8. Repeal the requirement that the Harvest Date be included on cannabis product labels. (2.0)

E. QUALITY ASSURANCE ISSUES

Near Unanimous Support (Rating Score of 1.5 or lower)

1. Increase the allowable monthly samples for Producers beyond the 2-gram per strain allowance under current rules, to become similar in amount to the samples made available to Retailers and their budtenders. (1.5)
2. Reduce the volume of required lab tests by a factor of at least five, meaning a test of one 5 lb lot for every 25 lbs harvested. (1.5)

Overwhelming Support (Rating Score of 2.0 or lower)

3. Prohibit Processors from using imported (i.e., non-Washington) CBD oil and/or THC oil in cannabis products sold in the state. (1.6)

4. Require Processors to disclose the source and nature of all oils and additives in any cannabis product. (1.6)

F. MISCELLANEOUS ISSUES

Near Unanimous Support (Rating Score of 1.5 or lower)

1. Allow Producers to hire the services of Processors under normal commercial terms (i.e., contract processing), by permitting manifested transfers of product back and forth between the parties without reference to "true value" considerations. (1.3)
2. Publish online all correspondence received during public comment periods in all rule-making initiatives, as is done by some other state entities. (1.4)
3. Create a system for the entry of new seeds and clones into the 502 system. (1.5)

Overwhelming Support (Rating Score of 2.0 or lower)

4. Allowing consolidation of licenses in the hands of fewer individuals is bad policy and will leave many smaller farmers unable to compete in the market, especially when they are not able to increase their canopy allowance. (2.0)
5. Withdraw the proposal to require "commercial grade security fencing" in all cases. (2.0)

G. PRIORITY ISSUES

In our discussions with the LCB, we are frequently asked to create a list of a few priorities. This is always difficult because of the sheer number and variety of regulatory problems brought to us by our constituency, the licensed cannabis farmers within Washington. Nonetheless, we did include an opportunity for farmers to identify priorities.

Respondents were also asked to rank a selection of 10 policy issues in order of priority. (For such a survey, Constant Contact allows a maximum of 10 items to be prioritized.) The results were compiled using a similar ranking system. The rankings showed tight bunching in the middle in the form of a classic bell curve. While we do not have the same level of confidence in this portion, the four (4) highest ranking policy items as prioritized by the respondents were:

1. Require Compliance Officers to give first-time warnings prior to issuing citations for minor administrative violations.
2. Allow for "contract processing" between Producers and Processors
3. Direct more enforcement resources toward unfair and illicit business practices in the industry.
4. Describe THC & CBD percentage as a range on the label rather than a single number.

Another measure of priorities from the point of view of licensed cannabis farmers, we believe, would be the issues on which they expressed "near unanimous support" as identified in the summary of the survey results in this paper.

Endnote re Survey Methodology

The survey was distributed to all licensed cannabis farmers on the Cannabis Farmers Council's email list (+900 addresses) in September and October 2017 using the Constant Contact platform. The email list has been cultivated over the last two years, and is believed to comprise only licensed cannabis producers and producer/processors. No licensed producer completed more than one survey response.

Respondents were asked to use a 5-point scale to rate a series of policy proposals:

1 = Fully Support	2 = Favorable	3 = Neutral/Undecided	4 = Not Favorable	5 = Fully Oppose
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The survey was sent twice using essentially the same email list; once on September 28 and again on October 13. A total of 118 responses were received. Given the high number of producers reporting no sales in recent months (over 400 at last count), we believe the feedback received could represent between 15% and 20% of the active cannabis producers in the state.

The results presented by Constant Contact use a Rating Score for each of the regulatory issues identified. The Rating Score is stated to be “the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses”. So if the overall Rating Score were 1.0, that would signify that 100% of the respondents were in Full Support, while a Rating Score of 5.0 would signify Full Opposition.

In preparing the summary below, we have considered that:

- The ratio between September and October responses received is approximately 5:1 (98:20), and that ratio was used in determining the Aggregate Weighted Rating Scores.
- Rating Scores of **1.5 or lower signify near unanimous support** for an individual policy with virtually no undecideds or opponents.
- Rating Scores of **2.0 or lower signify overwhelming support** for an individual policy with no significant number of undecideds or opponents.
- Rating Scores of **2.1 or higher signify lack of a true consensus** and therefore are not included in this summary.