



**CSAC 2017 Challenge Award Nomination
Executive Summary:
Medical Cannabis Track and Trace Pilot Project
Humboldt.gov/TrackAndTrace**

Overview:

The Agricultural Commissioner's Office developed and implemented a Medical Cannabis Track and Trace Project for tracking the movement of medical cannabis from cultivator to dispensary.

Challenge:

Humboldt County has been associated with marijuana (cannabis) cultivation since the counterculture movement of the 1960s and is known world-wide for medical and recreational cannabis. Humboldt is the first California County to have enacted land use regulations in accordance with the Medical Cannabis Regulation and Safety Act (MCRSA). The county's Medical Marijuana Land Use Ordinance (MMLUO) was created to be consistent with regulations established by MCRSA that authorize local jurisdictions to develop comprehensive regulatory programs for medical cannabis businesses. The challenge was to develop a track and trace system for medical cannabis that could meet MCRSA requirements for tracking and tracing the movement of cannabis products between regulated entities, but also to use the track and trace platform as a way to incentivize compliance with the county's MMLUO by providing Humboldt branding or "proof of origin" for businesses in compliance with the MMLUO. During stakeholder meetings and public forums, cultivators and members of the medical cannabis industry strongly expressed that a regulated medical cannabis industry represents a unique economic opportunity for Humboldt County and branding through the track and trace platform can help to increase the economic benefit derived by Humboldt County through regulation of the medical cannabis industry.

Innovative Solution:

The Agricultural Commissioner's Office developed and implemented with SICPA Security LLC (SICPA) a Medical Cannabis Track and Trace Pilot Project to track and trace medical cannabis movement from cultivator to retail dispensary. The pilot accomplished this through the use of a counterfeit proof stamp to identify producers and products, and record transactions (quantities of products shipped and current location of medical cannabis products) on a web-based platform. In addition to meeting statutory requirements, the pilot program was intended to also begin educating county staff about applying track and trace concepts to the cannabis industry and for developing working relationships with a subset of cultivators prior to industry-wide inspections to verify compliance with local and state rules.

Originality:

Humboldt County's Medical Cannabis Track and Trace Pilot Project was the first California County program developed and implemented to track the movement of medical cannabis products through the distribution chain from cultivator to retailer. The pilot project was also the first-ever application of batch and lot methodologies for tracking and tracing the production and movement of medical cannabis. The pilot project was also the first program to provide a California county's medical cannabis industry with origin branding through the use of a secure "proof of origin" stamp. The secure stamp used by the platform uniquely provides regulatory information for law enforcement and regulators. It also provides to retail consumers information about the quality and safety of the medical cannabis products through the secure stamp and use of the mobile device application available for Apple and Android devices.

Cost Effectiveness:

Humboldt County's agreement with SICPA did not require any monetary contribution from the county, but Commissioner's Office staff time and resources were provided to conduct inspections of pilot participants and oversight related to the pilot project.

Results:

Participants selected for the pilot included: 11 cultivators, 2 distributors, 3 manufacturers, and 7 dispensaries. Prior to activation of the web-based pilot platform, training sessions and stakeholder meetings were held with participants for the purpose of defining project goals and establishing requirements for project participation, and use of the web based track and trace pilot platform. On August 1, 2016 the pilot platform was activated and cultivators created product catalogs and began stamping medical cannabis produced under the pilot. By the time the pilot ended on February 28, 2017 more than 30,000 stamps were applied to 3,000 lbs. of Humboldt County-grown medical cannabis. Humboldt-stamped cannabis products were offered for sale in more than 130 dispensaries around California. The humboldtorigin.org website received 1,500 "hits" and medical cannabis consumers ran more than 500 product validations using the pilot project app during this time span. Since completion of the pilot project, SICPA has used the secure stamp platform developed with Humboldt as the basis for track and trace pilots or track and trace program contracts with Yolo and Mendocino Counties, and the City of Eureka.

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