



TO: Brittany Sande, Rules Coordinator, Oregon Health Authority Public Health Division

FR: Sally Alworth, Oregon Cannabis Association and Co-Founder of Luminous Botanicals

DA: December 14, 2015

RE: Comments for modification of extracts and edibles in OHA draft rules for regulation of cannabis

The Oregon Cannabis Association supports regulations that promote public safety and public health, protect patient access to cannabis medicines, and represent reasonable regulations for small businesses.

We unequivocally share the state's goal of preventing or decreasing incidents of accidental ingestion. We believe the best way to achieve this is through sensible labeling and childproof packaging rules, and not through unnecessarily restrictive regulations on potency. And we are committed to working with the Oregon Health Authority to look at ways to strengthen existing packaging and labeling safety requirements to ensure that cannabis products do not accidentally fall into the hands of children.

We are concerned that the potency and dosage limits set in the temporary rules for cannabis extracts and edibles miss the mark, and if allowed to go forward would have unintended consequences for safety, for businesses, and for the regulated market, including:

- Giving consumers the incentive to purchase greater quantities of packages, leading to a greater likelihood that a package could fall into the wrong hands
- Incentivizing the illegal market to produce high-potency extracts, increasing the supply of untested, unlabeled, and unsafely packaged products
- Significantly increasing the cost of doing business in the regulated market

Given these concerns, the Oregon Cannabis Association makes the following recommendations:

- **The Oregon Cannabis Association believes edible extracts should be regulated consistently.** Under the OHA's temporary rules, the majority of edible extracts must meet the same labeling requirements and concentration limits as infused food items, while alcohol-based tinctures are allowed to be five times as strong. All of these products – alcohol tinctures, glycerin tinctures, vegetable oil extracts, Rick Simpson Oil, etc. – are used by patients in precisely the same ways. Because these products do not resemble food or beverages and are not inherently attractive to children, the Oregon Cannabis Association believes these products



can be allowed to safely contain a higher concentration of THC than cannabis edibles.

- **The proposed package concentration limits for medical cannabis items are largely unnecessary and increase costs for patients.** The temporary rules regulate THC as though it were orange juice, when they should be regulated like vitamin C. Oregon's medical marijuana patients have for years – including two years now in a regulated retail environment – had access to a variety of cannabis products with package concentrations of up to 1,000 milligrams of THC, without resulting in a serious public health issue. Meanwhile, reducing package sizes would drive prices up for patients, denying them access to affordable bulk purchasing options. The OMMP cardholder population is largely low income: OHA statistics released in October 2015 showed that 56.1% of program applicants qualified for reduced fees based on means testing. The Oregon Cannabis Association strongly believes any regulations should preserve access to affordable cannabis medicines for OMMP patients. The proposed package limits undermine efforts to have an affordable medical market. At the same time, we are committed to continuing to work with the agency to ensure our members' manufacturing and marketing aligns with public health concerns.
- **Oregon should adopt the 10 mg per serving, 100 mg per package standard for recreational cannabis edibles that is currently used in both Washington and Colorado.** For makers of quality, lab-tested edibles, the cost of the cannabis itself can be as little as 10-20% of the total ingredient cost. Setting a 50 mg package size rather than a 100 mg package size will not significantly reduce the cost of these items, but it will make them much less of a value for customers. Cannabis edibles accounted for 45% of total sales in the first year of Colorado's recreational market, and we expect a similar demand for these products in Oregon. If legal edibles sold in state-licensed stores are seen by the public as weak and overpriced, the illegal market will be poised to compete for that share of the market. Unregulated edibles sold in the illegal market will not be tested for pesticide and solvent residues, potentially posing a significant public health risk. Public safety will best be served by adopting the 10 mg/100mg standard.
- **Setting a 250 mg package size for extracts on the recreational market will create a significant financial burden for manufacturers.** The medical market has naturally settled on a set of standard sizes for packages of extracts; these products are sold in .5 gram or 1 gram packages, and then the percentage of THC and CBD is marked on the label. These standard package sizes make it easy for consumers to calculate how much extract to use and to compare product value. If package limits are shifted to mg of THC, manufacturers who wish to remain competitive will adjust their package sizes to come as close to the 250 mg limit as possible, requiring a different container for each strain of concentrate. This will require significant reinvestment in equipment, packaging, and training. The Oregon Cannabis Association supports setting package limits for extracts and concentrates based on volume, using the .5 gram and 1 gram sizes that manufacturers are already using.



Thank you for the opportunity to contribute this testimony to the committee. The Oregon Cannabis Association looks forward to continuing to work with the state and other stakeholders to create a safe, well-regulated legal cannabis market for Oregonians.

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The Oregon Cannabis Association is a non-profit professional association representing cultivators, processors, edible makers, dispensaries, and allied businesses including laboratories, security and transportation companies, and providers of legal and financial services to cannabis related businesses throughout Oregon.