



Mille Lacs Band of Ojibwe
Department of Cannabis Regulation
Cannabis Regulations

PRODUCT INVENTORY AND TRACKING

Document No. CR – 5

Effective: *Date*

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1. PURPOSE

This Regulation implements 15 MLBS §§ 1203(6); 1206 and Compact Attachment A, parts 9810.1300-1302. This Regulation establishes the procedures and requirements for cannabis businesses to monitor inventory and participate in the Band's mandatory seed-to-sale track-and-trace system. For cannabis businesses that engage in Compacted Cannabis activity, this Regulation includes provisions regarding integration with the State's track-and-trace system.

2. GENERAL REQUIREMENTS

2.1. Mandatory Tracking

Unless exempted by these regulations or applicable Minnesota Statutes, chapter 342, a cannabis business must comply with all applicable requirements of this regulation when purchasing, producing, selling, handling, or possessing any regulated products.

2.2. Weights and Measures

A cannabis business that owns or operates weighing or measuring equipment for purposes of entering data in the Department's designated monitoring system or the statewide monitoring system must comply with the State weights and measures regulations (Minnesota Rules, chapter 7601).

2.3. Administrative Holds

A cannabis business must comply with all administrative holds and any other restrictions on the sale or transfer of regulated products issued through the Department's designated monitoring system or the statewide monitoring system.

3. MONITORING SYSTEM

3.1. Inventory Management

A cannabis business must conduct inventory and tracking functions using the Department's designated monitoring system.

3.2. Designated Monitoring System

- 3.2.1. The Department's designated monitoring system is the Mille Lacs Band of Ojibwe's METRC instance.
- 3.2.2. A cannabis business must use the Department's designated monitoring system, including software, tagging, and labeling tools, to fulfill the inventory and tracking requirements of these Regulations and the Code. A cannabis business



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is solely responsible for all costs to purchase and use the Department's designated monitoring system.

- 3.2.3. The Department may change its designated monitoring system. It will provide at least 60 days' notice and transition instructions before doing so.
- 3.2.4. Cannabis businesses that engage in cannabis activities that are subject to the Compact must utilize the measures adopted by the Department and State for integration with the State's METRC instance in all cases required by the Compact.
- 3.2.5. The Department may issue temporary waivers to these regulations and alternative procedures for integrating tracking and inventory systems with State systems as may be needed to carry out the Compact.

3.3. System Inventory

- 3.3.1. A cannabis business must use the Department's designated monitoring system to maintain an accurate inventory of all regulated products in the business's possession. The system inventory must include:
 - a. the product category for each product in the business's possession;
 - b. the quantity of each product in the business's possession, either by weight or units, as appropriate for the product category;
 - c. the batch number assigned to each product in the Department's designated monitoring system;
 - d. for all living cannabis plants:
 - i. the plant's current growth phase; and
 - ii. for plants over eight inches in height, a unique identification number assigned to the plant; and
 - iii. the product's location in a facility.

3.4. Waste

A cannabis business must report the production and disposal of all cannabis waste as defined in these regulations in the Department's designated monitoring system.

3.5. Tagging



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- 3.5.1. All cannabis plants over eight inches in height or width must be physically tagged with a unique identifier recorded in the Department's designated monitoring system.
- 3.5.2. All units packaged for transfer or sale, other than for final sale or delivery to a customer, patient, or designated caregiver, must be physically tagged with a unique identifier recorded in the Department's designated monitoring system.

3.6. Additional Tracking Requirements

- 3.6.1. In addition to system inventory maintenance requirements in section 3.3.3 of this regulation, a cannabis business must report the following actions, events, and information related to regulated products in the Department's designated monitoring system.
 - a. The sale, distribution, transfer, or receipt of products.
 - i. When reporting a sale in the Department's designated monitoring system, a business must include the actual price of the product and any discount amount.
 - b. Each application of a crop input to plants in the cannabis business's possession.
 - c. Removal from Inventory.
 - i. A written description of any products removed from a cannabis business's inventory due to intentional or accidental destruction. The written description must provide the business's justification for intentionally destroying the products, if applicable.
 - ii. A written description of any products removed from a cannabis business's inventory as sampling for routine inspection purposes. The description must include the date the sample was collected and the quantity of the sample collected.
 - d. The theft or loss of any products. A cannabis business must report the theft or loss of a product to the Department within eight hours of discovering the theft or loss. A cannabis business must also notify local law enforcement of the theft or loss immediately upon learning of the theft or loss.
 - e. The justification for any adjustment to the weight or quantity of any products in the cannabis business's system inventory. A business must



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report the justification for an adjustment to weight or quantity in the Department's designated monitoring system at the time that the business makes the adjustment.

- f. Removal for testing.
 - i. Notice of any products that the cannabis business removes from the business's system inventory for laboratory testing.
 - ii. If the business removes a product from the business's system inventory for testing, the business must record the product as a laboratory sample package and may only transfer the product to a licensed testing facility.
- g. Notice of any products that the business removes from the business's inventory for an approved demonstration purpose, including, but not limited to:
 - i. a sample for an employee;
 - ii. a display sample that the business provides to a cannabis retailer; or
 - iii. promotional sample that the business provides to another licensed cannabis business.

4. INVENTORY AND MONITORING SYSTEM RECONCILIATION

4.1. Daily Update and Verification

A cannabis business must update its system inventory and ensure the system inventory's accuracy at the end of each business day. A cannabis business must ensure that the business's inventory records are available to the Department for inspection upon the request of the Department.

4.2. Written Procedures

A cannabis business must develop and make available for inspection a written procedure and schedule for verifying the accuracy of the business's system inventory. A cannabis business must design and implement the procedure to ensure that the business's system inventory is accurate. A cannabis business must update and maintain records regarding the business's compliance with the procedure for verifying accuracy. A cannabis business must ensure that compliance records are available for inspection by the Department upon request.

4.3. Testing Records



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A cannabis testing facility must report the results of any laboratory testing in the Department's designated monitoring system in the record of the batch tested. In the case of a failed test, a cannabis business must record any remediation steps that the business has taken to address the failure and the results of subsequent testing.

5. OUTAGES AND MANUAL REPORTING

If the Department's designated monitoring system suffers an outage or failure or is otherwise unavailable:

5.1. Written Reports

A cannabis business must record and report all cannabis activity to the Department in writing.

5.2. Update Monitoring System Promptly

A cannabis business must promptly enter the information from all written reporting under this subpart in the Department's designated monitoring system when the system becomes available, no later than 12 hours following the time that the Department's designated monitoring system becomes available. If the outage lasts more than three days, the Department may allow additional time to update the Department's designated monitoring system.

5.3. Sales Not Permitted

A cannabis business may not make any sales while the Department's designated monitoring system is suffering an outage, failure, or is otherwise unavailable.