



# Washington State Liquor and Cannabis Board

## Collaborative Rulemaking Discussion Vendor and Educational Samples WAC 314-55-096

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## Trade Samples

Rather than having two separate sampling categories (vendor and educational samples), proposed rule change would collapse these into one category, create a new definition, “Trade samples,” which may be used for the purpose of negotiating a sale AND educating employees.

*“**Trade sample**” means a limited, specified amount of cannabis or cannabis products at no charge that has been designated by the licensee to be provided to another licensee for the purpose of either:*

- (i) Negotiating the sale on “**new product**” as defined in this section;*
- (ii) Establish a “**new business relationship**” as defined in this section; or*
- (iii) To educate employees at a retail outlet about products the retailer currently carries.*



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- Create definition for “***new products***” for each product classification (cannabis, concentrates, infused products).
  - Cannabis
    - Useable cannabis for sale at a retail store
      - Pre-rolls
      - Kief (flower or concentrate?)
    - Dried cannabis to be used in an extraction
      - Flower (buds)
      - Trim/shake
    - Fresh frozen material
  - Concentrates
    - Concentrate (oil, budder, shatter, etc.)
    - Vape cartridge
  - Infused product
    - Solid edible
    - Liquid edible
    - Syringe (concentrate or infused product?)



## Samples Representative of Product

- Packaging and Labeling Requirements:
  - Tamper proof seal that states: "Trade Sample – Not for Resale"
  - Font 1/8<sup>th</sup> of an inch
  - Required labeling information may not be obscured.
- Include insert in sample packages that provides a product description. Product information requirements:
  - Must be factual (no false or misleading statements)
  - Sales pitch – Why the product is different than other products/what makes product special?
  - Ingredients (pesticides, nutrients, additives, etc.)
  - Intended use
  - Company/brand information



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- Create definition for “***material change***” for each product classification.
  - Change in grow medium (aeroponics to soil)
  - New or different pesticide (different active ingredient)
- Create definition for “***new business relationship***”



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- Create definition for “***material change***” for each product classification.
  - Change in grow medium (aeroponics to soil)
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- Create definition for “***new business relationship***”



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- Create definition for “***material change***” for each product classification.
  - Change in grow medium (aeroponics to soil)
  - New or different pesticide (different active ingredient)
  - New or different flavor
  - Phenotype-hunting
  - Per Batch?
  - Ingredients, formulations, packaging – Factors that affect consumer experience and budtender education.
- Create definition for “***new business relationship***”



## Vendor Samples (new product/new business)

- Allow processor to processor sampling
  - What product types/categories should be allowed to be sampled?
    - Concentrates for further processing
    - Finished products (To allow a processor to sample finished products from another processor that produced the products on behalf of the licensee)
  - Sample limits (how many samples?)





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## Producer to Processor Vendor Sample Limits

### Option #1 – Most Restrictive, Least Flexible

Cannabis (flower) Type	“New product” per Producer – <u>Quarterly Limit</u>	“New product” per Processor – <u>Aggregate</u> <u>Quarterly Limit</u> (all producers)	Employee Limit (per “new product”)
Useable cannabis and pre-rolls [end-product]	7g	28g (1oz)	1g
Cannabis flower (buds) [intermediate product]	5 lbs.	10lbs.	N/A
Trim/shake [intermediate product]	10 lbs.	20 lbs.	N/A
Fresh frozen [intermediate product]	20 lbs.	40 lbs.	N/A



## Producer to Processor Vendor Sample Limits

Option #2 – Moderately Restrictive, Moderately Flexible

Cannabis (flower) Type	“New product” per Producer – <u>Quarterly Limit</u>	“New product” per Processor – <u>Aggregate Quarterly Limit</u> (all producers)	Employee Limit (per “new product”)
Useable cannabis and pre-rolls [end-product]	14g	56g (2oz)	2g
Cannabis flower (buds) [intermediate product]	10lbs.	20lbs.	N/A
Trim/shake [intermediate product]	20lbs.	40lbs.	N/A
Fresh frozen [intermediate product]	40lbs.	60 lbs.	N/A



## Educational Samples

- Licensees have discretion on which employees can receive samples.
- Sample feedback forms
- Employee training
- Educational samples for new employees.
  - Sampling from existing inventory (products the retailer currently carries)
    - Sample limits
      - Cannot sample “**new products**” (trade samples) at the same time (during onboarding process)
      - May only sample products that have a product information card (new requirement)
      - How many samples?
      - How to track samples to comply with employee sample limits?
  - What are some ways to ensure that these samples are not being provided to employees as compensation or as a sales incentive?
  - Would allowing retailers to sample from existing inventory disproportionately impact smaller businesses?
    - What about a one-time allowance for processors to provide samples to retailers on existing product to give to employees that have not sampled product previously?



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## Regulatory Trade-offs

- Additional recordkeeping and reporting requirements
- Employee training records
  - Trainees sign off that topics are covered and employee signature they received training and understand requirements.
- Sampling plan/SOPS
- Sampling feedback forms (employee)
- Sample waiver
- Documentation that both licensees consent (email?)

<b>Cannabis</b>	Useable cannabis (flower)	7g	3.5g	56g (2oz)
	Pre-rolls	7g	1g	28g (1oz)
<b>Concentrates</b>	Infused pre-rolls	7g	1g	28g (2oz)
	Concentrates (oil)	7g	1g	
	Solventless (Rosin, hash, kief, etc.)	7g	1g	
<b>Cannabis-infused products</b>	Vape cartridges	7 units	1g	50 units
	Solid edibles (100mg THC/package)	10 units (10 units/package)	1 unit	
	Liquid edibles (100mg THC/package)	10 units (10 units/package)	1 unit	
<b>Topicals</b>	>0.3% THC			

<b>OPTION #3 - Least Restrictive, Most Flexible</b>				
<b>Product Category</b>	<b>Product Type</b>	<b>"New product"/processor Limit – Calendar Month</b>	<b>Employee Limit (per "new product")</b>	<b>Retail Outlet - Aggregate Limit (per calendar month)</b>
<b>Cannabis</b>	Useable cannabis (flower)	14g	3.5g	113g (4oz)
	Pre-rolls	14g	1g	



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## Transitioning to a new framework

- What happens to existing samples when the new framework goes into effect? (give-away period)

