

Co-chairs Burdick and Lininger, thank you for the opportunity to once again provide testimony before this committee.

For the record, my name is Anthony Taylor. I am appearing before the committee today as a founding partner of Canyon Six Industries a DBA of Funson Farms LLC headquartered in Williams Oregon. We offer Cannabis-Infused Products (CIP's) in the form of medicated cookies and topical products.

It is hard to know where to begin with cannabis-infused products. There is such a wide variety of products available on today's market ranging from the well know "brownie" to the more nuanced baked goods, candies and drinks.

It is also important to make the distinction between CIP's for medical use and CIP's for recreational use. The dynamic here is most patients expect to "feel" something from ingesting a CIP, a standard benchmark for indicating that most medicines are working.

A diabetic certainly feels the effects of insulin, someone with high blood pressure can certainly tell the difference if they have missed taking their medication for a day or two, and someone taking opioids for pain can definitely tell when they are "kicking in." It is the same with cannabis products. But, as with any medication designed to mitigate chronic symptoms, after a time you just accept that it is working whether you "feel" it or not.

Patients want a product that is consistent, sometimes condition specific such as high CBD products, and not overpowering. Of course recreational users seek a more intense, longer lasting effect. "The infamous marijuana brownie" comes to mind for most people lesser steeped in the nuances of cannabis as medicine.

To set the stage here I would like to provide the committee with the rules for packaging, labeling and testing of CIP's as set forth in the administrative rules under the Dispensary Program. These rules really only address testing, packaging and labeling and do not address any manufacturing standards and practices or the facilities in which these products are produced. (Slide 2-8)

Canyon Six Industries is a start-up company that over the last 15 months has been developing a Cannabis-Infused product that can be used by patients to mitigate their symptoms while still allowing them to conduct day-to-day activities without impairment including going to work, caring for children or other family members or safely operating a motor vehicle or other industrial machinery and equipment.

The genesis of our products came from this desire to use cannabis on a regular basis while conducting these day-to-day activities rather than opioid pain medications or to at least reduce the amount of opioids used. We were also concerned about providing a product for patients that did not want to smoke or for patients in hospitals and care facilities where smoking is prohibited.

Perhaps the most important question we had to answer in this process was, “What is a standard dose for humans?” And, “How do we make that safely available to the general patient community?”

Most of the data suggests a dose of 15mg would meet the needs of most individuals seeking to maintain a certain level of cannabis in their systems for chronic conditions without impairment. Colorado has recently adopted a single dose to be 10mgs. As with all medications, the effects wear off and so it was determined that a 15mg dose could be taken every 6 to 8 hours without noticeable impairment.

Even among regular patients this took some educating about the efficacy of a low dose medication versus the larger doses typically associated with these products. There is a distinct difference between medicating and “baking.” It is a distinction often confused by our own community. A distinction we have to train dispensaries to explain to their patients.

The next question we had to ask ourselves was how to safely package our product and establish guidelines for its use. How many doses per package, recommended use, and of course, packaging it in a manner that would ensure public safety and the risk of accessibility by children.

Since we began before the dispensary program was implemented it was a pretty wide open landscape and most of us began with something like this. (Slide 9,10,11,12) The last one is child resistant and can be resealed when used for multiple doses

## **Testing.**

Of course before any product is packaged it must first be tested. Originally a dispensary was required to test everything they received but since CIP vendors are required to have THC and CBD levels listed on their packaging dispensaries, are now allowed to accept test results provided by vendors.

Testing is a confounding aspect to CIP's. It is, of course, required that all products be tested and as has been attested to before this committee, testing can be all over the board. Varying results make labeling difficult and each batch is different so printing labels ahead of packaging must allow for this variance. In addition each batch that is tested has a different test number which must also be included on the label. This means a run of 10,000 labels must allow for entering this information by hand or a large enough batch must be produced that uses the same information for all those packages therefore allowing for a single run. For instance rather than testing 4 or 5 pounds of product, they test 50 or 100 pounds.

Most producers have one lab that they use for all testing but as you have heard a product tested by one lab may have a different outcome when tested by a second or third lab. In spite of this we have found our products test within an acceptable range no matter the lab.

## **Labeling**

See slides.

## **Licensing.**

In discussions about implementing 91 or addressing issues such as Cannabis Infused Products or Manufacturing and processing other marijuana products, I always encourage policy makers to consider the bigger picture and refrain from re-inventing the wheel simply because we are discussing marijuana.

This could not be more apparent when discussing CIP's and their manufacture, packaging, labeling and distribution.

While it fairly easy to satisfy the rules adopted under the Oregon Medical Marijuana Dispensary Program regarding labeling and packaging. Child proof, opaque packaging, product and labeling not attractive to minors, potency, and who performed requisite testing.

It is, however, not so easy to satisfy rules already in place for bakery products in general and miscellaneous provisions for food and other commodities and the administration and enforcement of food, drink and sanitation laws generally.

Oregon's Department of Agriculture in conjunction with the Oregon Health Authority is already responsible for all licensing, inspection and enforcement of these industries and businesses and adding another layer of regulation to those already in place simply because we are dealing with marijuana would seem redundant. ORS 616 and 625 regulate the production and distribution of baked goods and the facilities that produce them. For instance:

**ORS 616.010 State Department of Agriculture and Oregon Health Authority to administer and enforce food laws.** The duty of administration and enforcement of all regulatory legislation applying to:

(1) The production, processing and distribution of all food products or commodities of agricultural origin shall, in addition to such further legislation as shall specifically name the State Department of Agriculture as the administering agency, be performed by the department to the exclusion of any other department not so specifically named.

(2) The sanitation of establishments where food or drink is consumed on the premises where sold, or to sanitary practices used in such establishments, shall be performed by the Oregon Health Authority. [Amended by 1983 c.740 §230; 2009 c.595 §991]

And continues by adding:

**616.015 Cooperation between Oregon Health Authority and State Department of Agriculture.** In order to more effectively utilize the agencies of the state in the public interest and without unnecessary duplication and expense, the relationship between the production, processing and distribution of food and the public health hereby is recognized. Therefore there shall be the fullest cooperation between the Oregon Health Authority and the State Department of Agriculture. [Amended by 2009 c.595 §992]

And in ORS 625 we find:

**625.020 License required to operate bakery; exceptions.** (1) Except as provided in subsection (2) of this section, no person shall operate or participate in the operation of any bakery within this state without a bakery license for that bakery, issued and in effect under ORS 625.010 to 625.270.

(2) A license is not required for a domestic kitchen type bakery that is operated in behalf of a nonprofit institution or is otherwise not operated for profit. [Amended by 1975 c.312 §1]

**625.030 Application for bakery license; inspection of premises and equipment; issuance of certificate.** Application for a bakery license shall be made in writing to the State Department of Agriculture on forms supplied by the department. After receipt of the application and the fees required by rules adopted under ORS 625.180, the department shall cause to be made a proper detailed inspection of the premises and equipment or of the plans and specifications of the bakery involved. If the department finds that the premises and equipment are or will be of a sanitary construction, design or condition and that the applicant has complied with and will be able to comply with ORS 625.010 to 625.270, the application shall be approved and the

department shall issue to the applicant a numbered license certificate bearing the name and address of the licensee and of the premises licensed. [Amended by 2012 c.64 §27]

While these rules may seem onerous to the CIP manufacturer operating from their home we find it hard to imagine these statutes and the corresponding administrative rules would not be adequate in regulating the manufacturing, packaging and labeling of Cannabis Infused Products and the associated facilities.

One final point should be made about the future of the CIP industry. It is the trend for most manufacturers to move away from processed butters and more towards the use of concentrates. As any bakery can attest, it is easy to add an extract to the batch during mixing. This is the future for CIP's and I would encourage the committee to take this into consideration when the discussion takes place regarding potency and availability of concentrates.

Finally a word about Gummies and other products attractive to children. Cookies are attractive to everyone and it is tough to draw a line here but for many elderly patients they are more likely to eat a product that is appealing; such as cookies, brownies and chocolates. We should bear this in mind in future discussions.

You will find several packages of Gummy products in the samples I have provided. One is the standard 'raspberry' candy and two are of a regular gummy product. I point these out specifically as part of the dynamic producers are confronted with when trying to comply with product rules. These are no doubt attractive to children and it is scientifically easier to infuse a gummy than say a lozenge. But these are actually children's vitamins and I have observed that most vitamin manufacturers have gone almost exclusively to Gummy's for daily vitamins and the major vitamin supplements such as Vitamins C and D. In addition, there are some high level narcotics such as Fentanyl that comes in a "lozenge on a stick" form.

In closing I would offer that ultimately, as with all drugs, it is the responsibility of the parent to ensure their children or others do not have access to medications. Oregon has laws which apply to parents that are negligent in their responsibilities. Negligence with cannabis medications should be no different.

Thank you and I would answer any questions you might have.