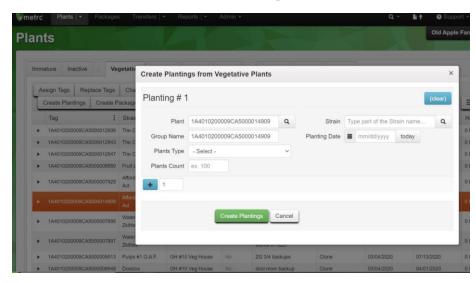


# Oregon Cannabis Tracking System – Workflow Overview

Cutting to Sale – Cannabis Flower Example

### New Plant Creation - Batch Tracking

- Find Existing Plant in METRC Inventory
- "Create Planting"



This creates a "batch" of plants (think seedlings)

- Number of plants
- Type (strain)
- Matches physical inventory on site
- Requires low to moderate training and time no individual plant tags

#### Individual Plant Tracking

- Currently, individual plant tagging is required when:
  - Plants reach 24" in height, are showing their sex, or are in their final flowering location
- System requires entering six data points for each plant\*
- Individual plastic tag must be affixed to each plant
- Tags supposed to have RFID capability
- Extremely expensive and time consuming



### Completing Cultivation and Post Harvest

- Each tagged plant has it's "growth phase" changed in METRC
- At harvest time, each plant must be individually weighed
  - Those weights are taken manually by licensee or employee
  - They are then individually entered into METRC, one at a time
- The total weight of all those plants becomes a harvest batch in CTS
- That harvest batch becomes the source for packages of finished product (in this case useable marijuana flower) which for my farm, after drying and trimming, ranges from roughly 3-20% of wet harvest weight
- Note: Questions about reason for upstream data

## Useable Marijuana – Testing and Transfers

- After drying and trimming, packages are created from harvest batches
  - Strain, Weight, Harvest Information using different UID tag costing \$.25
- Packages are submitted for testing to third party lab
  - Testing data attached to package in METRC
- Child packages with new UID tags created from tested package
  - Parent package information flows through to child packages (including testing)
  - These packages are the ones most commonly transferred to retailers or wholesalers (pound bags)
- Packages then placed on a manifest with turn by turn route information, reflecting the physical route of travel to new licensed location (such as a retailer or wholesaler)

#### Actual Expense Calculations

- Old Apple Farm will run 27 individual crops this year
  - Each crop will contain 1200 plants (average height is about 24")
  - Each plant will require a \$.45 tag, totaling \$14,500 (paid directly to Franwell in Florida)
  - Total tagging labor, including setup and data entry (25 hrs at \$17.50/hr) is \$11,812.50
  - Total projected cost of applying the tags for one season is \$26,312.50
- Ongoing costs associated with individual tagging
  - Each plant must be moved in the system, often multiple times
  - Plants that die or are cut out must be individually searched for and dealt with in CTS
  - Smaller plants can't support the weight of the tag, and often are damaged by them
    - Or tags are initially stuck in the dirt and have to be re-attached as plants grow, doubling the time and cost
- Harvest
  - Each plant has to be individually weighed, increasing the labor cost of harvesting by approximately \$22,600/yr
    - Then each of those weights must be individually entered into CTS, after which the system combines the weights anyway (creating a total harvested weight)
- Using these numbers, we estimate that individual tagging costs us an additional \$50,000+ per year. Our 2020 net income was approximately \$65,000