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JOHN HUDAK  
DIRECTOR

April 13, 2023

Dear AUCP Stakeholders,

I am pleased to share that the Office of Cannabis Policy (OCP) has finalized an agreement with Metrc regarding the implementation of batch tracking. This letter includes additional information about that agreement in advance of our virtual event to discuss the details at 4:00 p.m.

As stated in our [previous update](#), the shift toward batch tracking was a significant change not covered under the State's existing contract with Metrc, and therefore a contract amendment was required to move forward. We thank you for your patience as we worked diligently with Metrc to reach the best possible agreement for all licensees in the Adult Use Cannabis Program (AUCP).

The final product of the contract amendment negotiations is what OCP and Metrc call "Flexible Standardized Batch Tracking" (FSBT). The FSBT system involves smaller standardized batch tags and a linear cost structure that reflect the nature and diversity of Maine's adult use cannabis cultivators. **Key components of the FSBT system include:**

- Four initial sizes of batch tags: 5 plants, 10 plants, 25 plants, and 50 plants
- Individual plant tags remain an option and can be used in combination with batch tags
- OCP, with feedback from licensees, can request **additional batch tag sizes in increments of 5 plants** (such as a 40-plant tag or a 75-plant tag) even prior to launch and without the need for a renegotiation of the contract
- Batches of different numbers can use a combination of multiple, different tags (for 35 plants, a cultivator can use one 25-plant tag and one 10-plant tag, etc.)
- Batches significantly larger than 50 plants per batch can use multiple batch tags (for 300 plants, a cultivator can use six 50-plant tags, etc.)
- The costs of batch tags in the FSBT system are commensurate with the costs of individual plant tags (for example, 25 individual plant tags currently cost \$11.25, and a 25-count batch tag will cost \$11.25)

**Notably, the FSBT system will not increase licensees' monthly user fees or product tag costs**, nor will it create inherent advantages for larger operators over smaller operators. These were critical goals of OCP's throughout the duration of the contract amendment negotiations. The amended contract also provides for enhanced availability and responsiveness of Metrc's customer service team, a sandbox environment for users, Metrc-provided training prior to the FSBT system going live, and the ability to order batch tags in advance of the system's expected completion date of September 1, 2023.

OCP is sensitive to the fact that some batches will still require more than one tag. However, given several technological and financial limitations—including this being a first-in-the-nation

tool for the cannabis industry and the passage of P.L. 2021, ch. 628 without a fiscal note—we can assure you that this is the best possible solution at this time.

Additional information on the potential challenges and benefits to a batch tracking system, the basic contours of the FSBT program, and the key goals achieved through the FSBT program are provided in [this document](#). **We look forward to going over the forthcoming batch tracking system with you in more detail today, April 13, at 4:00 p.m. via Zoom.** Please use the Zoom link sent to your email to access the event or visit OCP's website tomorrow to watch a recording.

Thank you,

A handwritten signature in black ink, appearing to read "John Hudak".

John Hudak  
Director