



Enhancing Market **Safety & Security**

How Metrc supports better business outcomes



Introduction

One Company, Two Systems

Apothecary Extracts opened in Colorado in 2015. In addition to operating dispensaries in Colorado Springs, Denver, and Pueblo, the company owns a state-of-the-art 12,000 square-foot processing facility in Pueblo West, where it produces its high-quality extracts.

Shortly after Oklahoma voters approved a medical marijuana program in 2018, Apothecary opened a new facility in Beggs, Oklahoma. Unfortunately, Apothecary hit some unforeseen obstacles in Oklahoma. Unlike Colorado, Oklahoma did not have a centralized seed-to-sale tracking system. These systems are used to ensure a secure supply chain; provide transparency between businesses on product origin, legality, and test results; and simplify reporting. Without such a system to rely on in Oklahoma, Apothecary encountered costly disruptions to its operations.

“There are enormous differences between what we have to do in Oklahoma and how we run things in Colorado,” says LeeAnn Wiebe, CEO of Apothecary Extracts. “Much of the extra

work and added expense we have to cover in Oklahoma would be handled by Metrc’s track-and-trace system—and for a lot less time and money.”

Challenge

Protect Product Quality Without Metrc Safeguards

Without Metrc’s track-and-trace system in Oklahoma, Apothecary has been forced to dedicate significant resources to ensure that only

\$700,000
Annual cost of testing 20,000 pounds of product

\$500,000
Losses from destroyed material, rejected product, litigation, and more staff

\$250,000
Spent in an attempt to build supplier plant tracking system

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“In addition to reducing our own costs, Metrc’s track-and-trace solution also ensures that products are properly tested and controlled—protecting the safety of our patients and combating the illicit market that threatens our business.”

LeeAnn Wiebe
CEO of Apothecary Extracts

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high-quality and compliant products reach its patients. Apothecary sources thousands of pounds of material from dozens of growers in Oklahoma but getting suppliers to adopt and enforce stringent safeguards to protect the integrity of their material is a challenge. Because of this, Apothecary was forced to dedicate three full-time employees to source incomplete information from suppliers, validate product test results, and ensure the material sent by suppliers was what they said it was. Apothecary estimates that over 90% of its suppliers provided incomplete, inaccurate, or false information on their products when they first opened shop in Oklahoma.

Additional expenses didn’t end there. Once in a while, inaccurate product slipped through Apothecary’s stringent controls. When Apothecary’s own tests revealed flaws in a produced concentrate, the company had no choice but to reject the entire batch of product. Clawing back costs from non-compliant businesses entails extra time and legal fees. Apothecary estimates losses to poor product transparency to be well over \$500,000 per year.

And while Apothecary is incurring these extra costs to protect its patients, company officials worry that other businesses may not be. That means that when Apothecary is staying compliant and operating lawfully, it is at a competitive disadvantage compared to companies not abiding by the same strict

principals and controls.

Ultimately, a track-and-trace solution will ensure every cannabis-based business in the state is following rules that protect consumers.

Solution

Develop Costly Alternatives and Workarounds

These issues don’t exist in Colorado because Colorado has a fully deployed track-and-trace system. Through it, Apothecary is able to purchase product from licensed suppliers with confidence: the system provides a centralized source of truth where product origin can be easily referenced, chain of custody is captured, test results are independently maintained, and product discrepancies are quickly resolved.

“Less than 1% of Apothecary’s operating costs go to Metrc,” says LeeAnn. “In return, Metrc provides product tracking, compliance coverage, a uniform platform for all licenses, reporting standardization, inventory management, and so much more. It’s worth ten and even twenty times what we pay.”

The efficiency of this system and the safeguards it provides to cannabis-based businesses are why track-and-trace has been embraced by nearly every state with legal cannabis markets. Solutions like Metrc’s not only help regulators oversee the cannabis marketplace, they help

industries to operate more efficiently and focus on the products and services they provide to customers. Apothecary looks forward to when Metrc is fully deployed across the State of Oklahoma.

Results

Building Support for Metrc Solutions

Closing the system to illicit sources of supply protects customer, suppliers, and manufacturers who are trying to be compliant and follow the rules. Broad and appropriately scaled participation within a secure system ensures that the costs of regulatory compliance are shared equally by all parties. Universal participation allows growers to compete fairly with each other and to focus on improving the quality of their product, this in turn drives down costs. The illicit market fades when it is no longer able to compete with the regulated one.

“We are joining in common cause with Metrc because we share common interests,” says LeeAnn. “Everyone benefits from the kind of verifiable regulation provided by Metrc RFID. It locks out unlicensed supply and makes enforcement easier for government. It helps cannabis businesses control costs and focus on product. And it provides assurance to patients and consumers that the market is safe and secure. That’s a win for everybody.”



Sourcing Details Supplied By Metrc:

- What is the material (shake, stem, flower, trim)?
- What is the strain or varietal?
- What is the date of harvest?
- Was material grown in licensed facility?
- Has material met relevant testing requirements?
- Is the manifest accurate?
- Are reported test results accurate?
- What is the recorded versus actual weight?
- Does material conform with reporting mandates?
- Was material screened for additives and pesticides?
- What is the product history?
- When was the material packaged?
- Who handled the package?



Metrc is the most trusted and experienced provider of cannabis regulatory systems in the United States. Our solution combines advanced software, radio-frequency identification (RFID) technology, a dedicated customer-support team, and a secure database to track and trace cannabis from growth, harvest, and processing to testing, transport, and sale. Metrc serves more than 400,000 users, including growers, manufacturers, testing facilities, transport providers, dispensaries, state regulators, and law enforcement officials across 24 government contracts. We are proud to play a leading role in ensuring the safety and security of the nation's legal cannabis market.

Visit metrc.com for more information.