

Navigating product recalls in cannabis

How Metrc facilitates compliance responses

Product recalls for public safety

2022 was a record-breaking year for U.S. product recalls with more than 1 billion units of food, drugs, medical devices, automobiles, and consumer products recalled in the U.S. according to [Sedgwick's recall index report](#), and 2023 is pacing to end in a similar fashion.

Product recalls are essential responses to potential risks, safety issues, regulatory non-compliance, or defects that compromise product functionality. These events often result from challenges in manufacturing, design flaws, inadequate quality control, or evolving regulatory standards. In this context, companies must vigilantly monitor and address emerging risks to uphold transparency, accountability, and consumer safety in the dynamic consumer goods landscape.

With product recalls happening regularly in markets listed above, the cannabis market, a relatively juvenile market regulated at the state level, brings a new set of challenges and way of handling product recalls.

The regulation of the cannabis market is a complex and rapidly evolving landscape, reflecting the delicate balance between addressing public health concerns, ensuring consumer safety, and responding to shifting societal attitudes toward cannabis use. As jurisdictions around the world grapple with the legalization of

cannabis for medicinal and recreational purposes, diverse regulatory frameworks emerge to govern the supply chain and consumption. These regulations encompass licensing requirements, quality control standards, testing protocols, and strict guidelines to prevent illicit activities and protect public health.

These regulations and testing protocols help set the stage for why or when a product should be recalled in the cannabis market. Unfortunately, as is true in all markets, just because something passes testing or goes through the necessary processes and protocols to make it to market, does not mean issues won't slip through the cracks.

There are several reasons that product recalls can occur, and in cannabis, the following is known to happen:

- **Mislabeled test passed** – Product made it to market that was labeled as test passed, but later determined to be compromised.
- **Non-compliant tracking** – Meaning something was purposefully manipulated in the tracking system or did not follow state regulations on how data should be entered in the system.
- **Report of adverse effects** – If a product is reported to have harmed individuals' health, then the products associated with that batch can be recalled.

How Metrc helps keep the market safe and secure

Metrc, a comprehensive cannabis tracking and compliance system, plays a pivotal role in enhancing the efficiency and precision of cannabis product recalls. By providing end-to-end visibility into the entire cannabis supply chain, from cultivation to sales, Metrc enables rapid identification and isolation of products that may pose safety risks or fail to meet regulatory standards. In the event of a recall, Metrc's traceability features allow regulatory authorities and businesses to pinpoint affected batches, facilitating targeted and timely actions. The system's robust data infrastructure ensures accurate record-keeping, making it easier for regulatory agencies and businesses to communicate essential information to consumers and manage the recall process effectively.

As a crucial tool in mitigating the impact of cannabis product recalls, Metrc helps expand supply chain transparency and aids in safeguarding public health to improve confidence in regulated cannabis markets. Metrc system functionality enables regulators and businesses with the ability to take swift measured action in the event of a product recall.

With a complete view into the supply chain – including products and origin - regulators maintain the ability to conduct a local or global product hold through Metrc's Administrative Hold functionality when products require further investigation.

Product Holds

- **Local hold:** Placed product on hold at a specific facility, eliminating further transfer.
- **Global hold:** Placed product on hold at all facilities eliminating transfer to other facilities regardless of location.
- **Holds can be placed on:** Immature batches, plants, harvests, and packages.



Metrc has helped facilitate 100+ product recalls since its inception in 2011



Over one million products placed on hold within Metrc since 2015

How Metrc helped Missouri facilitate a product recall

In August 2023, the Missouri Division of Cannabis Regulation (DCR) issued a product recall for manufactured products sold to dispensaries and manufacturers by an infused product manufacturer. The recalled products did not have any adverse effects reported; however, the products recalled were not compliantly tracked in the statewide track-and-trace system, in this case Metrc. Due to this, the DCR was unable to verify the products came from marijuana grown in Missouri or that the product passed required testing prior to being sold at dispensaries. This initial recall was one of the largest facilitated in any state, including over 60,000 products.

Once the source has been located for a recall, the system allows regulators to understand how many derivative products are in the supply chain so other products are allowed to continue going to market – unlike blanket recalls.

Metrc and the DCR worked together to cull through the list of products impacted by the non-compliant actions taken in the system.

Typically, once a product has been placed on hold, the next step is for the respective state department to conduct an investigation, which can include Metrc participation. In this case, the DCR and Metrc worked closely together to identify products that should remain on hold and products that should have the hold lifted. Through the Metrc system and the traceability of what has occurred to a product (including a full chain of custody report), compliant and non-compliant actions can be identified, in addition to suspicious reporting and discrepancies in the system.

Both Metrc and the DCR determined that roughly 15,000 of the previously recalled 60,000 products could return to the retail market for sale. For product unable to return to market, it was verified that the licensee was manufacturing marijuana products that contained THC sourced from cannabis grown outside of the Missouri regulated market.

How technology and traceability help keep the market safe

Without the proper technology and protocols in place, recalls are difficult to manage, or may not happen. There is no trail of data explaining what occurred, nor is there a way to efficiently stop products from moving through supply chains to alert consumers that a specific product could harm them. Without these controls in place, consumer confidence can take a tremendous hit.

Imagine if product recalls did not happen for car safety, or if bad actors in a supply chain or market were able to go unregulated and unmonitored. While the potential outcomes can be frightening to think about, this is where traceability solutions, like Metrc, can help.



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 520,000 users, including growers, manufacturers, testing facilities, transport providers, dispensaries, state regulators, and law enforcement officials across 27 regulatory 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.