2020 Supply Chain Solutions for Hemp & CBD: Building Trust in the Marketplace

Our Guest & Host

Merril Gilbert Our special guest is Merril Gilbert, Co-founder and CEO at TraceTrust, a consulting company that is committed to elevating the industry standard of dose accuracy to support cannabis edible manufacturers dedicated to product transparency and safety, furthering consumer confidence in cannabis products. Merril is also the Chair and Education Committee Member for the National Cannabis Industry Association, and has been in the food industry for 20+ years, as a business owner and consultant.

Joe Witte, VP of Partnerships and Ecosystems, TagOne, heads up business development, and marketing. Joe is an Army veteran (former Captain) and has been a co-founder at 6 start up software and service based companies helping all of them generate more than $1mm in revenue within the first two years. Joe also worked at Doubleclick, USA Networks and has been featured in Fortune Small Business, Inc and Philadelphia Inquirer and more.

What We'll Cover Today

- The Current Landscape of Legal Hemp and CBD Products
- Risk Management: Why Having a Secure Traceable Supply Chain is Crucial
- Cultivation to Finished Goods: What You Need to Know
- Third-Party Certifications
- Knowing Your Ingredient Providers and their Process
- Integrating Your Supply Chain and the Impact of Blockchain Solutions
- Conveying Your Commitment to Transparency to the Marketplace
- Where We See This Going in 2020

Current Landscape: Increased Demand!

- Global sales reach $14billion
- 2/3 of all Americans support legalization *(Pew Trust 11/2019)*
- Demand remained strong where there was legal access

CBD Shows up... Everywhere!

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Current Landscape: Looking Back

Legalization Expanded!

Licensing and Operations Challenges

Civil Lawsuits

Vapegate

USDA Interim Final Rule (on Hemp)

Current Bill Amendment

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Vapegate

- Unified that Consumer and Retailer education is crucial
- Reinforced the need for stronger testing and certification programs
- Highlighted why licensed regulated cannabis and hemp derived products is important
- Implementation of stronger supply chain tracking from seed to finished goods

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What We Learned

- INFORMATION:
  - Consumers want better information and will spend more for quality
  - Need more product safety assurance
    - False or unclear label claims
    - Unregulated CBD & THC products with high contaminants or low concentrations
- REGULATION:
  - Don’t look to FDA anytime soon for clear regulations
- INFRASTRUCTURE:
  - Supply Chain tracking from Seed to Sale - Critical to growth

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Mitigating Risk in 2020

Talent Management

Education and Training

Universal Standardization Testing

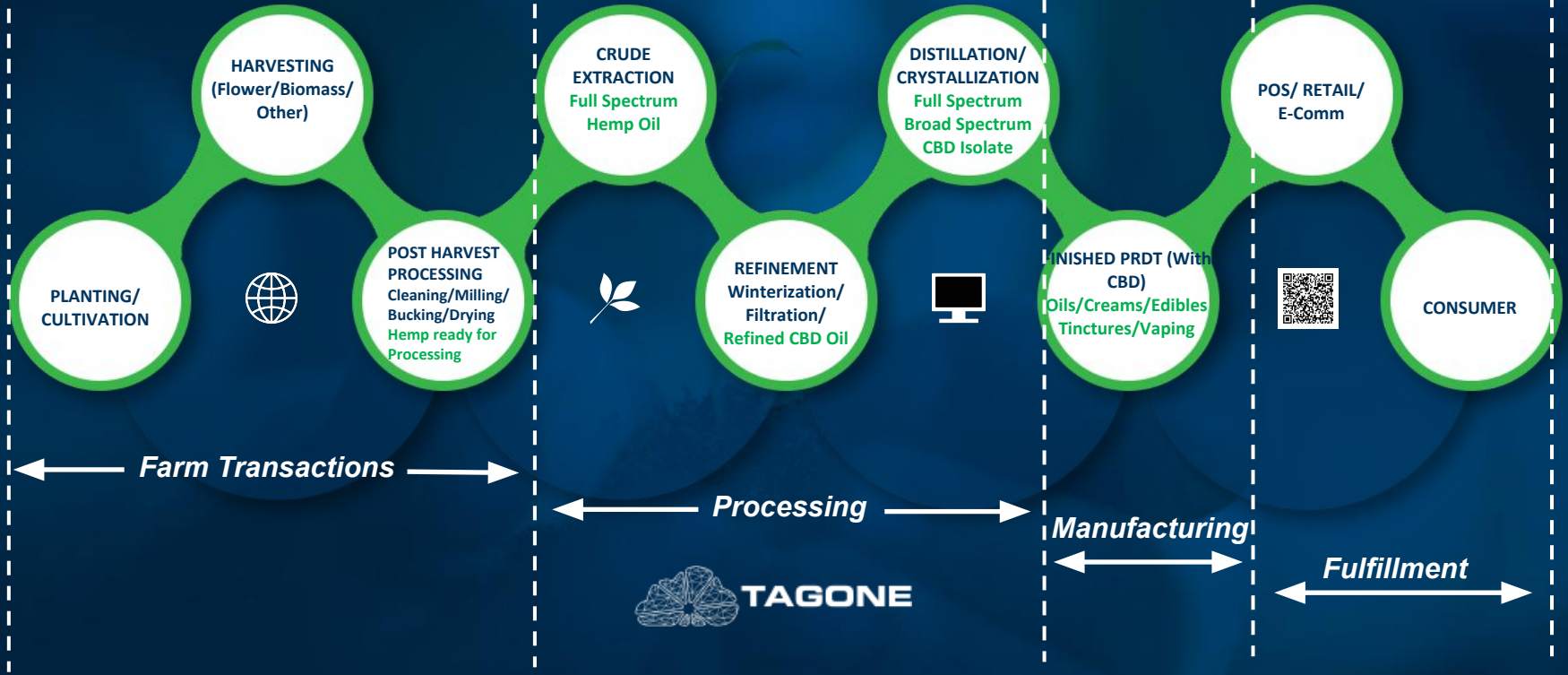
Product Liability

GMP's

Supply Chain Transparency

Cultivation to Finished Goods

Transparency in the CBD Supply Chain



Ingredients

- Cannabis and Hemp as ingredients
- Other ingredients
- Extraction methodologies
- COA
- Import - Export

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Managing Your Facility

- Your Facility
  - SOP and GMPs
  - Training
  - Supply Chain Management – inbound and outbound

- Co-packing
  - How to identify
  - Building long-term relationships
  - Ability to scale

Why Certify: Third Party Certifications

- Establishes Trust in the Marketplace
- Third-Party Certifications
  - Plant
  - Manufacturing
  - Product
- Blockchain
  - Full transparency from seed to finished goods
- Documentation
- Financial savings and risk aversion

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Blockchain View of Product Movement

Immutable Ledger Tracks Key Data Elements from *Seed to Sale*

Cultivation

Grow (Seed or Clone)

Soil/Water/Fertilizaer

Location (with photo)

Test

AND MORE

Harvest

Drying method

Biomass weight

Flower separation method & Lot#

Test

AND MORE

Extraction

Method (CO2, Ethanol, Other.)

Type (Full, Broad, Isolate, etc.)

Lot#

Test

AND MORE

Processing

Formulation Development

Delivery (Medical, Edible, Supplement, etc.)

Test

Lot # and Expiration

Distribution

AND MORE

Consumer

Source

Safety (CofA)

Science (Quality)

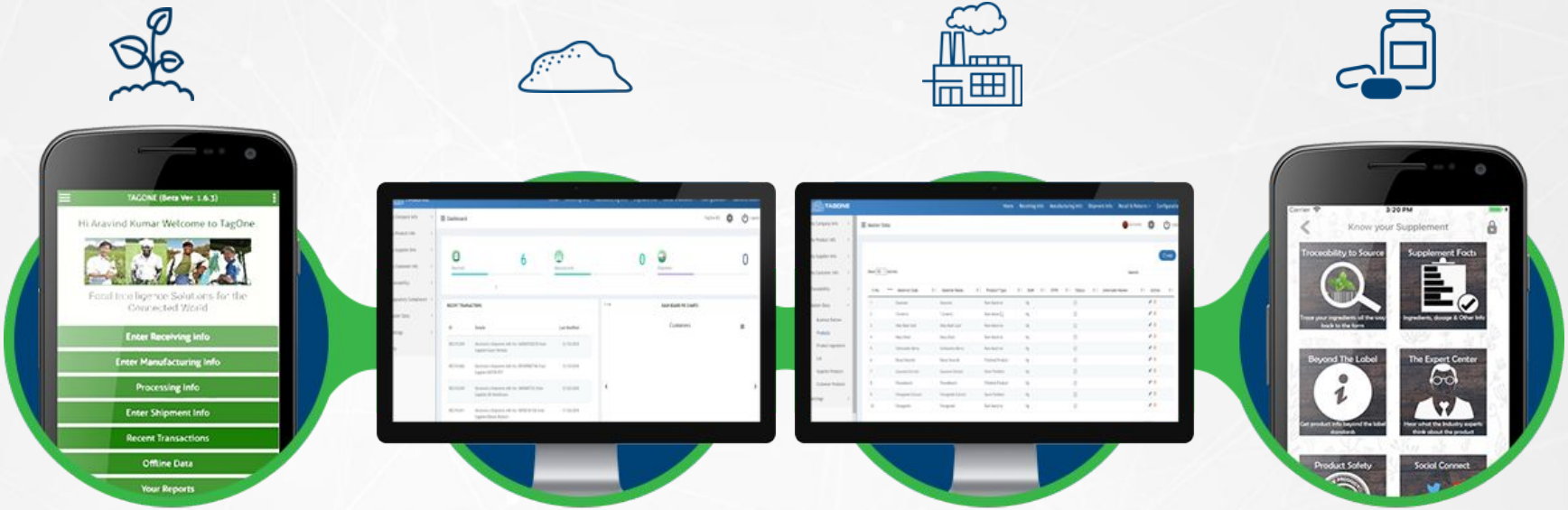
Stories (Branding)

Lot # and Expiration

AND MORE

SIMPLIFYING YOUR TRANSPARENCY JOURNEY

Integrating Your Supply Chain to Minimize Risk



TagOne:Harvest
CAPTURE

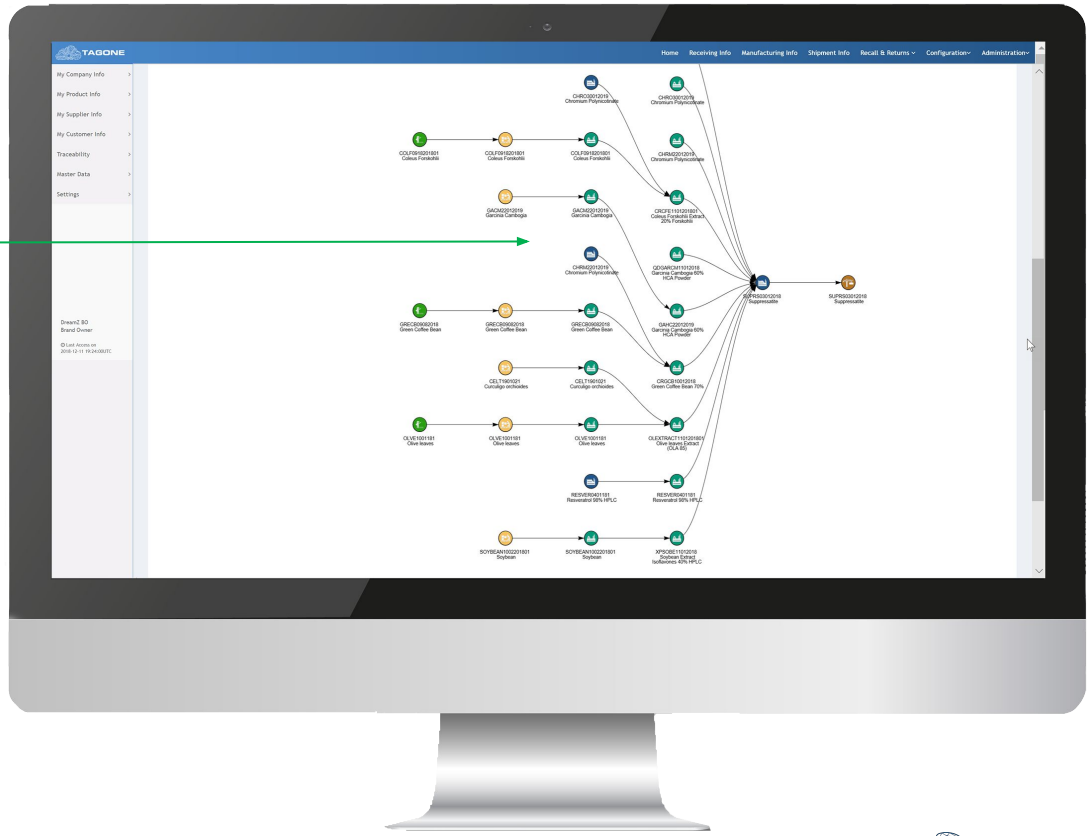
TagOne:Enterprise
MANAGE

TagOne:Connect
SHARE

TagOne:Visual Map

TRACEABILITY REPORTING OF THE BLOCKCHAIN

Each link opens up based on a Blockchain query of the output Lot#



- E2E Traceability
- Transaction tracking across your network + Inventory Management
- Document & Master data management
- Central regulatory repository addressing Audit requirements
- Ingredient quality management
- Recalls & Returns

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The Path to Full Traceability

Phase 1

Baseline Information Management

Master Data

- Product
- Supplier/ Customers

Document Mgmt & Process

- Supplier/ Customer
- Product / Ingredient

Phase 2

Transaction Management

Automation

Digitization

Quality tracking (C of A)

Phase 3

Network Expansion

suppliers + buyers Adopting best practices

Suppliers

Buyer

Phase 4

End to end traceability and consumer adoption

Farm

Consumer

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DELIVERING TRANSPARENCY

Conveying Your Commitment to Transparency

- Increased consumer and retailer information
- Safe and reliable experiences
- Consumers will spend more for quality
- Building brand recognition
- More science-based data on efficacy and use
- Stronger supply chain
- Product transparency

What's Coming in 2020

- More US states will move to legalization
- Passage of Safe Banking
- More legalization will increase Research and Science Based data
- More guidance from FDA on CBD
- More plant genetics and strains in market
- Increase innovation – topicals, beverages, etc
- Better testing – beyond plant, all ingredients
- Technology!

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Q&A

"Quality means doing it right when no one is looking."

- HENRY FORD

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