

Farm Bug Co-op

Educational Packet

Farm Bug Co-op's Mission

Farm Bug Cooperative is an organization founded to give local Massachusetts small farmers and craft growers the infrastructure and operational support to enter the cannabis industry in Massachusetts. Currently in the process of applying to be one of the first Craft Marijuana Cultivator Cooperatives in the country, Farm Bug is made up of rural farmers and urban growers focused on delivering the highest quality artisanal cannabis to the Massachusetts medical and adult use market. Farm Bug Co-op is uniquely focused on clean, organic and sustainable cultivation methods. Our goal is not only to deliver the highest quality cannabis to medical patients and adult users alike, but, also, to start a revolution of ideas. Farm Bug is working to better local communities through cannabis education and cultural enrichment. In addition to delivering organic, craft cannabis to the patients and consumers of Massachusetts, we are leading the way in developing organic cultivation standards within the cannabis industry through education and advocacy.

Per 935 CMR 500.000

Craft Marijuana Cooperative: A Marijuana Cultivator comprised of residents of the Commonwealth and organized as a limited liability company, limited liability partnership, or cooperative corporation under the laws of the Commonwealth. A cooperative is licensed to cultivate, obtain, manufacture, process, package and brand cannabis or marijuana products to transport marijuana to Marijuana Establishments, but not to consumers.

Outdoor Cultivation as Defined by the Cannabis Control Commission (CCC)

Outdoor Cultivation: the cultivation of mature cannabis without the use of artificial lighting in the canopy area at any point in time. Artificial lighting is permissible only to maintain immature plants.

Tiers for Cultivation & Annual Licensing Fees

(d) Application and Annual License Fee Schedule:

License Types	Application Fees (Indoor/Outdoor)	Annual License Fee (Indoor/Outdoor)
Indoor or Outdoor Cultivator		
Tier 1: up to 5,000 square feet	\$200 (I)/\$100 (O)	\$1,250 (I)/\$625 (O)
Tier 2: 5,001 to 10,000 sq. ft.	\$400 (I)/\$200 (O)	\$2,500 (I)/\$1,250 (O)
Tier 3: 10,001 to 20,000 sq. ft.	\$600 (I)/\$300 (O)	\$5,000 (I)/\$2,500 (O)
Tier 4: 20,001 to 30,000 sq. ft.	\$600 (I)/\$300 (O)	\$7,500 (I)/\$3,750 (O)
Tier 5: 30,001 to 40,000 sq. ft.	\$600 (I)/\$300 (O)	\$10,000 (I)/\$5,000 (O)
Tier 6: 40,001 to 50,000 sq. ft.	\$600 (I)/\$300 (O)	\$12,500 (I)/\$6,250 (O)
Tier 7: 50,001 to 60,000 sq. ft.	\$600 (I)/\$300 (O)	\$15,000 (I)/\$7,500 (O)
Tier 8: 60,001 to 70,000 sq. ft.	\$600 (I)/\$300 (O)	\$17,500 (I)/\$8,750 (O)
Tier 9: 70,001 to 80,000 sq. ft.	\$600 (I)/\$300 (O)	\$20,000 (I)/\$10,000 (O)
Tier 10: 80,001 to 90,000 sq. ft.	\$600 (I)/\$300 (O)	\$22,500 (I)/\$11,250 (O)
Tier 11: 90,001 to 100,000 sq. ft.	\$600 (I)/\$300 (O)	\$25,000 (I)/\$12,500 (O)
Craft Marijuana Cooperative	Total fees for its canopy. If more than six locations, add \$200 (I)/\$100(O) per additional location.	Total fees for its canopy. If more than six locations, add \$1,250(I)/\$625(O) per additional location.
Microbusiness	\$300	50% of all applicable fees
Manufacturing	\$300	\$5,000
Independent Testing Laboratory	\$300	\$5,000
Retail (brick and mortar)	\$300	\$5,000
Third-party Transporter	\$300	\$5,000
Existing Licensee Transporter	\$300	\$5,000
Research Laboratory	\$300	\$1,000

State Regulations related to a Craft Marijuana Cooperative

Craft Marijuana Cooperative.

- (a) A Craft Marijuana Cooperative may be organized as a limited liability company, limited liability partnership, or a cooperative corporation under the laws of the Commonwealth.
- (b) The members or shareholders of the cooperative must be residents of the Commonwealth for the 12 months immediately preceding the filing of an application for a license.

- (c) One member of the Craft Marijuana Cooperative shall have filed a Schedule F tax income form within the five years prior to application for licensure.
- (d) The Craft Marijuana Cooperative must operate consistently with the Seven Cooperative Principles established by the International Cooperative Alliance in 1995.
- (e) The cooperative license authorizes it to cultivate, obtain, manufacture, process, package and brand marijuana products to deliver marijuana to Marijuana Establishments, but not to consumers.
- (f) The Craft Marijuana Cooperative is limited to one license, under which it may cultivate marijuana, subject to the limitations of 935 CMR 500.050(2). The cooperative's total locations are limited to cultivating 100,000 square feet of canopy. A cooperative is not limited in the number of cultivation locations it may operate, provided that for each location over six locations, additional application and licensing fees shall apply pursuant to 935 CMR 935 CMR 500.050(3)(d). The cooperative may also conduct activities authorized for Marijuana Product Manufacturers at up to three locations.
- (g) For the electronic seed-to-sale tracking system, a cooperative that designates a system administrator will pay one licensing program fee on a monthly basis for seed-to-sale tracking software.
- (h) Members of a cooperative shall not have a controlling interest in any other Marijuana Establishment.
- (i) Tier Expansion. A Craft Marijuana Cooperative may submit an application, in a time and manner determined by the Commission, to change the tier in which it is classified. A cooperative may change tiers to either expand or reduce production. If a cooperative is applying to expand production, it must demonstrate that while cultivating at the top of its production tier, it has sold 85% of its product consistently over the six months preceding the application for expanded production.
- (j) Tier Relegation. In connection with the license renewal process for Craft Marijuana Cooperatives, the Commission will review the records of the cooperative during the six months prior to the application for renewal. The Commission may reduce the licensee's maximum canopy to a lower tier if the licensee sold less than 70% of what it produced during the six months prior to the application for renewal. When determining whether to relegate a licensee to a lower tier, the Commission may consider the following factors including but not limited to:
 - 1. Cultivation and production history including whether the plants/inventory suffered a catastrophic event during the licensing period;
 - 2. Transfer, sales, and excise tax payment history;
 - 3. Existing inventory and inventory history;
 - 4. Sales contracts; and
 - 5. Any other factors relevant to ensuring responsible cultivation, production, and inventory management.

Frequently Asked Questions

Question: I've heard something about the smell of cannabis. Is your cultivation facility going to smell?

Answer: We will be using odor mitigation technology, which will neutralize any smell. There are a number of methods to prevent odor that are being used now in the legalized states like Colorado. There will be no smell emitted from the facility.

Question: What will you do with the hazardous waste material?

Answer: We are growing organic plants. So, there is no hazardous waste material. Cannabis is a seasonal plant. Everything that's not used to be sold will be composted and regenerated into the soil.

Question: I'm worried about traffic. What are we talking about as far as traffic?

Answer: This will be a cannabis cultivation facility. There will be no retail sales at this location. The traffic will be minimal.

Question: What about light pollution? We live in a small town and I don't want grow lights on at all hours of the night.

Answer: We will be growing in a greenhouse, which means we will be using the sun and light deprivation techniques. Any supplemental lighting used after sundown will not be emitted from the greenhouse by using blackout technology.

Question: Will there be any money exchanged at this location?

Answer: Absolutely not. This is a cultivation facility and the only thing that will be picked up at this location is prepared product (which will be stored per requirements set forth by 935 CMR 500.000).

Information on the Cannabis Control Commission's State-wide Equity Program

The Cannabis Control Commission is committed to implementing a variety of programs to actively engage people from communities of disproportionate impact and ensure their inclusion in the legal cannabis industry.

Many programs were developed in response to evidence which demonstrates that certain populations, particularly Blacks and Latinos, have been disproportionately impacted by high rates of arrest and incarceration for cannabis and other drug crimes as a result of state and federal drug policy. Criminalization has had long-term ill effects, not only on the individuals arrested and incarcerated, but on their families and communities.

For more information about the Cannabis Control Commission's equity program, please visit the CCC's website (www.mass-cannabis-control.com) or feel free to email Director of Community Outreach, Shekia Scott at: shekia.scott@mass.gov.

More Questions About Farm Bug Co-op?

We're here to help:

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