



## Processor Fact Sheet

### What is a processor?

A processor manufactures medical marijuana products. There are three different types of processors – standalone, vertically integrated facilities, and a plant-only processor which is a cultivator who distributes plant material directly to dispensaries. For plant-only processors, a cultivator applies for a certificate with an associated registration fee.

For standalone and vertically integrated processor licenses the application fee is \$10,000 and the certificate of operation fee is \$90,000; a processor annual license renewal fee is \$100,000.

### How long will it take for processors to be operational?

The construction for processors varies based on the type of facility and location. In similarly regulated states, processors that were vertically integrated with other licensees were complete shortly after receiving a provisional license. Generally, processor facility construction can be completed within a few months.

The plant-only processor license will also be available to cultivators in Ohio once they obtain a certificate of operation. The plant-only processor license is for the limited purpose of packaging plant material and distributing it directly to dispensaries. This will allow product to be available as early as possible at the dispensary facilities.

### What is the process for awarding licenses?

Applications were accepted: December 4, 2017 – December 15, 2017. The Department received 104 processor applications. From these, the Department is authorized to award up to 40 provisional licenses.

The first round of awards included applicants who met the minimum requirements of the application. The Ohio Department of Commerce is asking for additional clarifying information from the remaining applicants, who will be scored separately from the round one recipients. The scope of the clarification request is under development.

### What is the process for scoring processor applications?

The Ohio Department of Commerce conducted a comprehensive, fair and impartial evaluation of all applications. Applications are scored by subject matter experts germane to the section of the application they are scoring. All scores were determined on a consensus basis.

The Ohio Department of Commerce has always and will continue to welcome input regarding processes and procedures. Recommendations from internal reviews, the Auditor of State and Ernst & Young were utilized in the scoring process. They included:

- Ensuring that scoring teams review and sign off on non-editable consensus score sheets to confirm they reflect the team results.
- Reviewing score sheets to avoid any scoring errors that could result from discrepancies between the number of criteria identified and the number of points awarded.
- Independently reviewing the master scoring spreadsheets to confirm formulas used and the accuracy of transcription from score sheets.

### When will the next round of processors be announced?

The Ohio Department of Commerce will perform outreach to applicants that did not receive a provisional license in the first round. This outreach will include requesting clarification and additional information from the applicants. Similar to the testing laboratory process, this phased approach will allow the Ohio Department of Commerce to ensure the best quality facilities are receiving provisional licenses while also being as business friendly as possible.