Why state, cannabis cultivator are in a legal battle over 'trim'

Tom Mooney Providence Journal USA TODAY NETWORK

A former worker at the cannabis growing company Salt Pond Medicinal Pathways called state inspectors in October offering information about the South Kingstown business.

"It's a very big free-for-all down there," she said in her recorded voice message, "and I do have some information that I'm not sure if you guys should be notified about."

The next day inspectors with the Office of Cannabis Regulation showed up at the licensed grow establishment, where they reported seeing things they hadn't seen during an earlier visit as the business sought final approval for renovations.

Among the new discoveries they would note: a tall green tent erected in a new section of a storage room with a "cannabis grinder machine" inside it.

A grinder separates the buds from other parts of the plant. And this grinder was connected to a metal chute that led through a wall and down one floor into a

garage.

Strict cultivation laws require every cannabis plant and its components be tagged and tracked as it is grown, dried and ultimately packaged for sale.

Those laws also mandate that all of the state's 60 licensed cultivators have camera surveillance in their facilities.

The inspectors reported that neither the activity inside the tent nor in the garage was being monitored by cameras.

And in the garage, at the end of the chute, they reported finding two plastic totes and two bags containing untagged cannabis "trim," and four containers of untagged cannabis "kief," a potent, powdery substance from the hairlike outgrowths that cover cannabis flowers.

Following their inspection, the Department of Business Regulation moved to revoke the company's growing license, or otherwise sanction the company.

It alleged the company had "manipulated design and operation of their licensed premises" which "enables and facilitates diversion of cannabis product outside the authorized parameters" of state law.

But the company denies the diversion allegations and has now filed suit against state regulators to head off losing its license to grow cannabis for both the recreational and medicinal markets.

In Superior Court documents, the company says the discovered cannabis trim and kief "were put there for the sole purpose of preventing contamination with dried cannabis flower."

The company "considered the trim and kief to be waste product that had little to no value" and planned to dispose of it prior to the inspectors' Oct. 16 inspection.

"No cannabis flower or waste material has ever been diverted from Salt Pond's cultivation facility," it said.

In its request for a temporary restraining order, the company also said, "Salt Pond always intended the tent and chute setup to be a temporary solution to reduce contamination of dried cannabis flower, maintain cleanliness during the cannabis trimming process, and make for a better work environment for Salt Pond's employees." And it contends a similar tent setup existed during three previous state inspections dating back to March 16, 2023.

"During each of their prior inspections, the OCR Inspectors inspected the tent and ... the garage area of the cultivation facility, or, at the very least, both conditions would have been apparent to the OCR Inspectors."

In any event, the company argues, "the OCR inspectors did not raise any issues with either condition prior to the October 16, 2024 inspection."

Salt Pond is also arguing that the statutory enforcement provisions that allows the director of the Department of Business Regulation "to sanction or otherwise revoke a cultivator's license," is unconstitutional since that "jurisdiction lies with the judiciary."

Michael Resnick, a lawyer for Salt Pond, told The Journal last week both parties in the case were seeking a 60day stay in the court and administrative proceedings to see if a mediated settlement might be reached.

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