Health Canada Santé Canada

Cannabis Licence Holders Update: Displaying THC and CBD Content on Dried Cannabis Product Labels and Kief

Subject: Important Cannabis Licence Holders Update – August 10, 2021

To Federal Licence Holders,

The intent of this message is to reiterate the requirements in the *Cannabis Act* (the Act) and its regulations pertaining to:

- displaying THC and CBD content on a dried cannabis product label; and
- the definitions of dried cannabis and cannabis extract as they relate to kief, hashish, and other products produced by mechanical processes.

This letter is issued in response to recent requests for clarification regarding these matters and outlines related requirements.

1. Displaying THC and CBD Content on Dried Cannabis Product Labels

The Act and *Cannabis Regulations* (Regulations) set out a comprehensive public health approach to regulating the production, packaging and labelling of cannabis. The packaging and labelling of cannabis products are subject to the strict requirements outlined in the Act and Part 7 of the Regulations. The Regulations prescribe what, where and how information must appear on the label of all cannabis products.

Health Canada would like to reiterate that the THC and CBD content values displayed on a dried cannabis product label should reflect the value as tested for the lot. This includes requirements regarding the labelling of the quantity or concentration of THC or CBD that the cannabis product could yield, taking into account the potential to convert THCA into THC, and CBDA into CBD.

The following regulatory requirements apply to the labelling of THC and CBD content values for dried cannabis products:

- subsection 90(1) of the Regulations requires that the testing for the quantity (mg) or concentration (mg/g) of THC, THCA, CBD and CBDA must be conducted on **each lot or batch of cannabis**, other than cannabis plants or cannabis plant seeds; and
- the THC and CBD content that each lot or batch of a dried cannabis product could yield must be displayed on the label in accordance with sections 124-125 of the Regulations.

While the Regulations are not prescriptive regarding the determination of accurate potency of a lot for dried cannabis products, the Certificate of Analysis is the most accurate estimate of that lot's actual cannabinoid content when conducting testing using a validated method on a representative sample of

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the lot. Health Canada's Packaging and labelling guide for cannabis products provides guidance on THC and CBD content on labels.

Labelling practices in which the THC and CBD values displayed on the label of a cannabis product, other than cannabis plants and cannabis plant seeds, that have not been obtained as a result of cannabinoid testing on each lot or batch of cannabis, may result in non-compliance.

For example, labelled THC and CBD values derived from historical cultivar-based results or other practices, do not correspond to an accurate measurement of a specific lot's THC and CBD content values, and may not correspond to the amounts the cannabis product could yield.

In all cases, the cannabinoid content shown on the label must comply with the paragraph 26(e) of the *Cannabis Act* and must not be false, misleading or deceptive or likely to create an erroneous impression about the characteristics, value, quantity, composition, strength, concentration, potency, purity, quality, merit, safety, health effects or health risks of the cannabis.

To add further clarity to the labelling of THC and CBD content values, Health Canada has provided information regarding two common questions:

- **Rounding:**
  Health Canada recognizes that cannabinoid contents can be reasonably rounded and remain compliant with the labelling requirements. It is recommended to display cannabinoid contents with a precision of three numerical figures, or two figures for amounts below 100. Examples meeting this recommendation include 100 mg/g, 75 mg/g, 5.0 mg, or 0.5 mg.

- **Less-than sign "<":**
  It is acceptable to use the less-than sign "<" when dealing with quantities of cannabinoids that are less than 0.1 mg or are based on the analytical method's limitation (i.e., Limit of Quantification). It is not recommended to label a product as containing 0 THC or CBD, unless it can be demonstrated with assurance that the product does not contain the relevant cannabinoid. Examples where this could be acceptable include synthetic fabrication which can only produce THC or CBD. For situations where this cannot be assured, the use of a less-than sign is preferable. In addition, a product label must show the THC symbol when the content is greater than 10 µg/g, taking into account the potential to convert THCA into THC.

2. **Information Update: Kief, hashish, and other products produced by mechanical processes are considered cannabis extracts under the *Cannabis Act and its Regulations***

Health Canada would also like to bring information to your attention regarding the definition of "dried cannabis" and "cannabis extract" under the Act and its regulations as they relate to kief, hashish and other products produced by mechanical processes.

As stated in the Act and the Regulations:

- **dried cannabis** *means any part of a cannabis plant that has been subjected to a drying process, other than seeds* (Subsection 2(1) of the Act)

- **cannabis extract** *means*
  (a) a substance produced by
  (i) subjecting anything referred to in item 1 of Schedule 1 to the Act to extraction processing, or
  (ii) synthesizing a substance that is identical to a phytocannabinoid produced by, or found in, a cannabis plant; or
  (b) a substance or mixture of substances that contains or has on it a substance produced in a manner referred to in paragraph (a) (Subsection.1(1) of the Regulations)

Health Canada would like to reiterate that mechanical extraction of cannabis trichomes from fresh or dried cannabis by sifting, beating, rubbing and other mechanical actions, and which produces cannabis extracts such as kief or hashish, are considered cannabis extracts under paragraph 1(1)(a) of the Regulations.

Furthermore, a mixture of dried cannabis and cannabis extract fits the definition of a cannabis extract under paragraph (b) and not dried cannabis. For example, a pre-rolled joint fortified with kief is a cannabis extract product.

Health Canada would like to remind licence holders that they are required to hold a processing licence with the authorization to sell cannabis extract products, in order to sell products containing kief to provincially and territorially authorized retailers and sale for medical purposes licence holders. Information on how to submit a sales amendment application can be found on the Manage your cannabis licence webpage.

Health Canada also reminds licence holders that the resulting cannabis extract product must always comply with the Act and its regulations, which includes, but is not limited to, product labelling, good production practices and all appropriate record keeping requirements. These records must be available for review by Health Canada upon inspection. More information on Health Canada's approach to compliance and enforcement of the Act and its regulations can be found here.

We trust the information provided provides further clarification with respect to these two matters. Should you have any further questions, please send these to: hc.compliance-cannabis-conformite.sc@canada.ca

Sincerely,

Compliance Directorate
Controlled Substances and Cannabis Branch
Health Canada

The information contained in this communication provides an overview of requirements associated with the Act and its regulations. It is not intended to provide legal advice regarding the interpretation or application of the

Cannabis Act and its regulations or any other relevant legislation. In the event of any discrepancy between the legislation and the content of this communication, the legislation shall prevail.

It remains the responsibility of those engaging in activities related to cannabis, cannabis accessories and services related to cannabis, to understand and comply with the Act and its regulations. Failure to comply with all requirements under the Act and its regulations may result in compliance and enforcement action.