



January 8, 2019

Re: Clarification of Marrone Bio Product Use in Cannabis

We've recently received a lot of questions around the use of our products in the cultivated garden (CG) market.

In recent months, Marrone Bio Innovations has been working closely with both the California Department of Pesticide Regulation (DPR) and with County Agricultural Commissioners to gain a better understanding about the current legal and regulatory landscape in California regarding the use of pesticide products on cannabis. Specifically, Marrone Bio Innovations has worked closely with relevant state agencies during the development, review and approval of our CG product line format for labels as a "case study," specifically using the Grandevo CG label recently approved by DPR, to establish clearer guidelines regarding what label claims regarding pesticide uses are appropriately broad enough "to ensure a product's use on cannabis is or is not in conflict with California Food and Agriculture Code 12973."

These efforts recently resulted in a letter from the California Department of Pesticide Regulation to the Yolo County Agriculture Commissioner's Office (dated September 12, 2018) that confirmed that "DPR reviewed the Grandevo CG label and found that the use of the product on cannabis would currently be consistent with Food and Agriculture Code 12973 in that such use would not conflict with the registered labeling." Based upon this finding, MBI has developed Regalia CG and Venerate CG labels that follow the same format and pesticide use sites used in the Grandevo CG label, and we will continue to use the "CG" format for future pesticide products that may be of interest to our cannabis farming customers in California.

Additionally, we continue to work with state officials to develop clearer guidelines around pesticide use claims around marketing materials used to educate the cannabis industry on the safe, effective and label compliant uses of a specific pesticide product on cannabis.

At an October 3, 2018 meeting, DPR and MBI to discuss appropriate claims that can be made in the marketing of specific pesticide products to the cannabis industry. Key points are as follows:

- 1) Currently, DPR **does not approve** the use of any pesticide technical grade active ingredient or specific pesticide product for use on cannabis. **Lists previously developed by DPR served only to provide examples of technical grade active ingredients that could meet DPR's minimal requirements for use on cannabis:** (1) active ingredients must be "exempt from residue tolerance" and (2) have "uses that are broad enough to include cannabis" (or specifically not in conflict with Food and Agriculture Code 12973.)



- 2) At this time, DPR does not intend to update or further support previously published lists providing examples of pesticide active ingredients consider to be consistent with the three criteria listed above. **Therefore, no DPR sanctioned list of products “approved” for use on cannabis in the state of California exists.**
- 3) Currently, only County Agricultural Commissioners have the authority to determine if a pesticide product label has broad enough uses to ensure that “the use of the product on cannabis would currently be consistent with Food and Agriculture Code 12973 in that such use would not conflict with the registered labeling.” If a distributor or registrant of pesticide product wishes to dispute the ruling of a County Agriculture Commissioner, DPR can be called upon to provide a regulatory compliance review of the disputed label.
- 4) **Considering all of the points above, no registrant, distributor or marketing materials can make the claim that any pesticide product is “approved for use on cannabis” in the state of California.**

In regards to the Marrone Bio Innovations portfolio of products, we can state the following:

- **Grandevo CG Bioinsecticide** is a microbial-based insecticide and miticide. Grandevo CG contains several active compounds that, when applied early in the crop cycle, repel, stop feeding, reduce reproduction and induce mortality to prevent the development of damaging populations of sucking and chewing insects, flies, and mites. The active ingredient in Grandevo CG, is “exempt from a residue tolerance” and is a low risk biopesticide that does not have a “WARNING” signal word on its product label. Our Grandevo CG label has been registered by DPR and, in coordination with a requested review by the Yolo County Agriculture Commissioner, was *“found [by DPR] that the use of the product on cannabis would currently be consistent with Food and Agriculture Code 12973 in that such use would not conflict with the registered labeling.”* (DPR letter to Commissioner Young dated September 12, 2018 and forwarded to MBI). The **Grandevo CG Specimen Label can be found at this link.**
- **Regalia CG Biofungicide** is a plant extract based fungicide. Regalia CG stimulates the plant’s innate ability to fight diseases and delivers better yield and improved harvest quality in cannabis. It also offers preventative activity and early control of yield-robbing diseases that can help get the most out of your crop. The active ingredient in Regalia CG, is “exempt from a residue tolerance” and is a low risk biopesticide that does not have a “WARNING” signal word on its product label. As of June 8, 2018, our new Regalia CG label has been registered by DPR and, in coordination with a requested review by California County Agriculture Commissioners, *“DPR assessed Marrone Bio Innovations’ product label for Regalia CG, EPA Reg. No. 84059-3-ZC, stamp accepted in CA on June 8, 2018 to determine if use on cannabis would be considered a use in conflict. The assessment found that such use would not be a use in conflict with the label as currently written. This assessment was shared with the California Agricultural Commissioners and Sealers Association for distribution to all county agricultural commissioners.”* (DPR email



correspondence dated December 31, 2018). The [Regalia CG Specimen Label can be found at this link.](#)

- **Venerate CG Bioinsecticide (Burkholderia spp. Strain A396)** an advanced microbial-based insecticide, miticide and acaricide featuring multiple modes of action and are effective against a wide variety of chewing and sucking insects, aphids and mites. Venerate products can be applied during the entire season. The new Venerate CG label will be submitted to DPR in January 2019, and we anticipate DPR approval in early 2019. DPR has previously approved the product active ingredient and formulation marketed under the Venerate XC name. The existing DPR registered Venerate XC label can be found at this link [Venerate XC Bioinsecticide Specimen Label](#). The active ingredient in Venerate CG (and Venerate XC), is “exempt from a residue tolerance” and is a low risk biopesticide that does not have a “WARNING” signal word on its product label. The proposed Venerate CG label follows a format and use patterns similar to the Grandevo CG label that was “found [by DPR] that the use of the product on cannabis would currently be consistent with Food and Agriculture Code 12973 in that such use would not conflict with the registered labeling.” MBI will be working closely with DPR to ensure the uses listed on the Venerate CG label are sufficiently broad that use of cannabis would be consistent with Food and Agriculture Code 12973 as soon as is feasible.

As a result of our consultations, MBI is working with DPR to ensure that our marketing materials accurately reflect the regulatory decision making process that currently exists in California. As such, on the advice of DPR, we are removing any references to any pesticide products being “approved” for use in California and strongly encourage distributors, retailers and customers from referencing any pesticide products having “approval” by DPR or being on a “list of DPR approved products.”

If you have any questions about MBI marketing materials, or your own marketing materials for the MBI CG line of products, please do not hesitate to contact MBI at cginquiry@marronebio.com. Also, if a County Agriculture Commissioner raises concerns about the ability to use a CG product on cannabis, please do not hesitate to contact MBI for assistance.

Working with DPR and our County Agriculture Commissioners, we will ensure that our marketing materials provide accurate information on how to legally, safely and effectively use our portfolio of innovative products in the production of cannabis in California.

Marrone Bio Innovations