EXECUTIVE SUMMARY:

The Future of Cannabis Labeling Is Digital

Leveraging QR codes to solve one of the greatest regulatory challenges affecting legal cannabis markets

Cannabis Labeling Policy Is Broken

Read the full paper ››

Current cannabis labeling policies in the United States are characterized by three fundamental problems:

- **Overly voluminous** – Excessive amounts of information must be conveyed.
- **Constantly changing** – Requirements are often expanded and/or revised.
- **Lacking standardization** – Requirements are not uniform across states and product types.

This combination of overcrowded labels, shifting rules, and lack of a universally recognized format creates significant challenges for:

- **Consumers** – Crowded labels that differ from state to state, or between product types within the same state, lack clarity and create confusion
- **Regulators** – Regulations are created in each new market, face frequent calls for new provisions and revisions, and address subjects in which there is little or no expertise
- **Businesses** – Compliance with complex and inconsistent requirements are costly and complicated, especially for companies operating in multiple states

Asymmetrical stakeholder interests and the typical political realities surrounding cannabis policy make it relatively easy to create new labeling requirements but very difficult to remove existing requirements or modify them to align with best practices. As such, existing legislative and regulatory frameworks have failed to resolve this issue and currently appear ill-equipped to serve as viable pathways for resolution.

The Solution: QR Codes

The most practical solution to current cannabis labeling challenges is to leverage Quick Response (QR) codes or similar technologies to modernize cannabis labeling practices. Expanding the use of QR codes would go a long way toward addressing the fundamental challenges associated with cannabis labeling:

- **Efficacy** – Digitally expanding label capacity will allow for critical information to be prioritized and presented clearly on product packaging, with less critical information accessible online via QR code. Costs would be reduced for businesses that no longer need to develop and apply complex labels or include multiple labels on each product.
- **Flexibility** – Allowing for most label revisions and additions to be implemented online rather than directly on product packaging will more effectively accommodate diverse and fluctuating stakeholder preferences and reduce the costs and complexity of compliance.
- **Uniformity** – Prioritizing critical information on product packaging and providing for more flexibility and efficiency with implementing other labeling requirements will advance efforts to develop uniform intrastate and interstate labeling standards.