

Coalition Support Letter

Terroir Based Appellations & City of Origin Legislation



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April 30th, 2020

Dear Governor Newsom,

The organizations listed on this letter are pleased to inform you of our collective support for two policies that we believe are critical to the future of California's cannabis industry: a terroir baseline for appellations of origin, and the establishment of city of origin designations.

California Department of Food and Agriculture (CDFA) is required to establish a process for licensed growers to establish appellations of origin for cannabis produced in specific localities by January 1, 2021. Appellations of origin include standards, practices, and cultivars of cannabis grown in certain geographical areas of California. This program enhances the ability of licensees to accurately brand their products and safeguards against the use of deceptive marketing names that are likely to mislead consumers.

California's cannabis appellations program is the first of its kind globally, and other states and countries will scrutinize it and hopefully follow California's lead once it is implemented. In order for appellations to have integrity over the long-term, we strongly believe that they must be specifically reserved for cannabis that is planted in-ground, in open-air, with no use of artificial light during the flowering stage of cultivation. Clarifying that appellations must meet these baseline standards will ensure that appellation designations express a defensible causal link between product and place, inclusive of land, soil, climate, and other geographic and human factors. These standards, reflective of the terroir in which cannabis is produced, assign value to California's unique and diverse growing areas, which cannot be duplicated or outsourced to other states or countries. The terroir-focused amendments mirror the successful system of wine appellations that have enabled Napa and other distinctive wine growing regions to elevate our state's collective reputation for excellence.

As attitudes regarding cannabis continue to shift throughout the country and national markets begin to emerge, this program will communicate the authenticity of California appellation-grown cannabis. If California's cannabis appellations of origin are not tied to terroir – not tied to the land itself – the link between the product and the place would be indefensible, rendering the tool ineffective.

Additionally, we recommend adding marketing protections for city of origin that mirror existing protections for county of origin. City of origin protection will enhance the ability of city-based cultivators and manufacturers to accurately brand and protect their cannabis products, particularly in cases where a county of origin would not adequately express the origin of the product. A city of origin designation would be immediately and broadly applicable, benefiting all producers of a municipality, including qualified manufacturers, without the need to adhere to a shared set of regulated standards, practices, and cultivars as would apply to appellations of origin.

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Collectively, a comprehensive system for the protection of county of origin, city of origin, and appellations of origin that expresses the diversity of California cannabis production and ensures that California-based products can be marketed accurately and defensibly, will secure California as a formidable leader in positioning this policy across regional, national and global arenas as those opportunities open up.

The proposed amendments are as follows:

SEC. 2.

Section 26063 of the Business and Professions Code is amended to read:

26063.

(a) (1) No later than January 1, 2018, the Department of Food and Agriculture shall establish standards by which a licensed cultivator may designate a county, **city, or city and county** of origin for cannabis. To be eligible for the designation, 100 percent of the cannabis shall be produced within the designated county, **city, or city and county**, as defined by finite political boundaries.

(2) Cannabis shall not be advertised, marketed, labeled, or sold as produced grown in a California county, **city, or city and county**, including any similar name that is likely to misleads consumers as to the kind of cannabis, when the cannabis was not produced grown in that county , **city, or city and county**.

(3) The name of a California county, **city, or city and county**, including any similar name that is likely to mislead consumers as to the kind of cannabis contained the product, shall not be used in the advertising, labeling, marketing, or packaging of cannabis products unless 100 percent of the cannabis contained in the product was produced in that county, **city, or city and county**.

(b) (1) No later than January 1, 2021, the Department of Food and Agriculture shall establish a process by which licensed cultivators may establish appellations of origin including standards, practices, and cultivars applicable to cannabis produced in a certain geographical area in California, not otherwise specified in subdivision (a).

(2) Cannabis shall not be advertised, marketed, labeled, or sold using an appellation of origin established pursuant to paragraph (1) including any similar name that is likely to mislead consumers as to the kind of cannabis, unless the cannabis meets the appellation of origin requirements for, and was produced in, the geographical area.

(3) An appellation of origin established pursuant to this subdivision, including any similar name that is likely to mislead consumers as to the kind of cannabis contained in a product, shall not be used

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in the advertising, labeling, marketing, or packaging of a cannabis product unless 100 percent the cannabis contained in the product meets the appellation of origin requirements and was produced in the geographical area.

(c). An appellation of origin shall not be established unless the cannabis produced is planted in the ground, in open-air, with no artificial light during the flowering stage of cultivation until harvest.

Thank you for your consideration,

Sincerely



Genine Coleman
Executive Director
Origins Council



Terra Carver
Executive Director
Humboldt County Growers Alliance



Oliver Bates
President
Big Sur Farmers Association



Diana Gamzon
Executive Director
Nevada County Cannabis Alliance




Patrick Sellers
Chair of the Board of Directors
Mendocino Cannabis Alliance



Adrien Keys
President
Trinity County Agricultural Alliance



Joanna Cedar
Board Member
Sonoma County Growers Alliance



Kristen Nevedal
Chair of the Board of Directors
International Cannabis Farmers Assoc.



Lauren Frazier
Chair of the Board of Directors
Cannabis Distribution Assoc.

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Ellen Komp
Deputy Director
California NORML



Gretchen Giles
Founding Board Member
Sonoma Valley Cannabis Enthusiasts
Cannabis Business Association of Sonoma County



Lindsay Robinson
Executive Director
California Cannabis Industry Association



Jerred Kiloh
President
United Cannabis Business Association