



HUMBOLDT COUNTY GROWERS ALLIANCE

July 1, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

The Honorable Toni Atkins
Senate Pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the Assembly
State Capitol, Room 219
Sacramento, CA 95814

Dear Governor Newsom, Speaker Rendon, and Pro Tem Atkins:

On behalf of Humboldt County Growers Alliance, representing 275 licensed cannabis businesses in Humboldt County, we are pleased to offer comments on AB 141, proposed trailer bill legislation for cannabis.

We strongly support the trade samples policy contained in the trailer bill, and in particular the creation of a framework that enables small and independent farmers and manufacturers to obtain equitable access to trade samples. For small businesses seeking to establish their own brand, the ability to establish face-to-face relationships with retail partners is critical to success. We look forward to working with regulators to further refine this program and ensure that it remains accessible for small and independent businesses who are not vertically integrated and do not own their own distribution company or retail license.

Additionally, implementing a strong and robust appellations program remains a top priority for our members, and we support the decision in the trailer bill to retain the appellations program within CDFA. However, as a consequence of agency consolidation, we are concerned that the program as a whole requires additional time for implementation. On June 3, 2021, CDFA released a fourth set of proposed appellation regulations for public comment, which included the elimination of significant and essential aspects of the proposed regulatory structure. To provide adequate time to ensure a strong roll-out of the appellations program on day one, we support extending the statutory deadline for implementation of appellation regulations until January 1, 2022, and hope to see this date enacted in subsequent clean-up legislation.

Finally, we support continued attention to the proposed provisional licensing structure in subsequent clean-up legislation. Clean-up legislation should recognize that progress towards an annual license is a joint responsibility of licensees, local government, and state regulators, and

ensure that licensees who are actively and diligently working towards annual licensure do not have their permits revoked due to circumstances beyond their control or due to departmental delays in processing permit applications. To accommodate small and legacy cannabis businesses that have not yet had the ability to enter the legal cannabis market, subsequent legislation should include a provision that allows for at least an additional year for small cultivators to enter the provisional licensing framework. Additionally, conversations on provisional licensing should consider and address the root causes of the high barriers to entry and complexity embedded in the state cannabis licensing process.

We appreciate the legislature's attention to issues affecting small and independent cannabis businesses, and look forward to continuing to work with you prior to summer recess to ensure equitable and effective implementation of these trailer bill items.

Sincerely,

A handwritten signature in cursive script that reads "Ross Gordon".

Ross Gordon
Policy Director
Humboldt County Growers Alliance