



April 14, 2022

Sent via email to: CannabisAg@cdfa.ca.gov

Origins Council Public Comments on SCGC Pilot Program

On behalf of Origins Council, representing nearly 900 licensed small and independent cannabis businesses in six legacy producing counties throughout California, we appreciate the opportunity to comment on the draft RGA for the proposed SCGC pilot program.

Program Application and Implementation Date

The SCGC pilot program is proposed to be implemented on an expedited timeline, with the draft RGA made available on March 14, applications open on June 1, and applications due on July 1. We strongly encourage that this timeline be extended significantly, to push the opening of applications until after the end of harvest at the earliest.

The RGA draft suggests a preference for grant awards to be awarded to strong collaborations between universities, RCDs, nonprofits, and others. Due to the legacy of cannabis prohibition and the exclusion of cannabis from consideration as agriculture, these linkages have not yet been built to the same degree as in other agricultural industries. To build effective collaboration between groups, it is critical that sufficient time is given to build working collaborations which can result in effective program implementation.

Additionally, several other programs and grant opportunities for cannabis cultivators are currently outstanding, including an open DCC regulatory comment period, the impending implementation of the cannabis appellations programs, and grants available through the California Department of Fish and Wildlife. These existing programs must be balanced with the implementation of a new program such as the SCGC, and in the case of new DCC regulations, may impact the work done within the BMP program.

Finally, the expedited timeline for public comment and program implementation has not provided an opportunity for the bulk of the cannabis cultivation community to engage on the program or its details. Cannabis farmers are currently in the midst of planting season, while cannabis associations are engaged in the height of legislative session and DCC regulatory promulgation.

Bandwidth is particularly stressed for small, socially disadvantaged, and equity cultivators who are prioritized under draft RGA guidelines.

For these reasons, we strongly recommend that the opening of the application period be delayed until at least the end harvest to provide additional time for public input and effective collaboration between organizations which may be involved in program implementation.

Benefits of Outdoor Cultivation

The RGA draft identifies the objective of the SCGC grant as to “identify, test, and promote environmentally friendly BMPs to *reduce the environmental impact* of outdoor cannabis cultivation.”

This framing assumes that outdoor cannabis cultivation is only responsible for negative environmental impacts, and precludes the possibility that outdoor cultivation could involve forms of land stewardship or regenerative agricultural practices which provide net environmental benefit.

We recommend that the framing of the SCGC grant’s objectives remain neutral, and that determinations on the net positive and negative impacts of outdoor cultivation practices are determined objectively based on the findings of the pilot study.

Specifically, we recommend that this section be reworded to read: “Identify, test, and promote environmentally friendly BMPs to *encourage best practices in* outdoor cannabis cultivation.”

Inclusion of Mixed-Light 1 Cultivation

We recommend that CDFA open program participation to farmers operating under either or both of an “outdoor” or “mixed-light 1” license type. Although the statutory basis for the SCGC grant is to establish BMPs for “outdoor” cultivation, current DCC definitions for outdoor cultivation are highly restrictive and require operators utilizing a hoop-house or greenhouse to obtain a mixed-light 1 license - even if the cultivator uses little or no artificial supplemental light.

Colloquially, “outdoor” cultivation typically includes farmers formally classified as mixed-light 1 under DCC regulation. In some jurisdictions, such as Humboldt and Trinity counties, the use of light deprivation in a structure such as a hoop-house is classified as “outdoor” cultivation under local rules so long as no additional artificial light is used.

Considering that the purpose of the study is to assess the environmental impact of diverse cultivation practices, we believe it’s important for the full range of outdoor cultivation practices be eligible for inclusion, regardless of whether outdoor cultivation occurs under a hoop-house, in pots, or in the ground. Excluding certain cultivation methods from consideration will result in an incomplete picture of the environmental impact of various methods.

Additionally, it is very common for a single small farmer to hold both an outdoor and mixed-light cultivation 1 license in order to cultivate utilizing different methods on a single farm. The use of

multiple cultivation methods by a single farmer should be able to be used as an opportunity for the pilot study to assess diverse cultivation practices, rather than as a reason to exclude these farmers from the study, or to only include part of their cultivation practices.

Prioritization of Funds to Regions with More Eligible Cultivators

The draft RGA suggests that a total of \$7.5 million in grant funds will be split between three regions - Northern, Central, and Southern California - with a maximum grant award of \$2.5 million for each region.

Among the three regions established under the grant proposal, the Northern region includes, by far, the greatest number of farms, outdoor farms, small farms, equity farms, and total acreage under cultivation. Based on February 28, 2022 DCC licensing data, cultivation is distributed in each region as follows:

➤ **Northern California counties: Humboldt, Trinity, Mendocino, Lake, Nevada, Colusa**

Approximately 1,900 independent outdoor/ML 1 farms
572 acres of outdoor cultivation
355 acres of mixed-light 1 cultivation

➤ **Central California counties: Santa Cruz, Monterey, Mono, Yolo, Placer, El Dorado, San Mateo, Sonoma, Calaveras, Stanislaus, Fresno, Kings, Inyo, Kern**

Approximately 400 independent outdoor/ML 1 independent farms
283 acres of outdoor cultivation
94 acres of mixed-light 1 cultivation

➤ **Southern California counties: Santa Barbara, Los Angeles, Riverside, San Luis Obispo**

Approximately 100 independent outdoor/ML 1 farms
359 acres of outdoor cultivation
99 acres of mixed-light 1 cultivation

With this in mind, we recommend that grant funds be split more proportionally based on the number of eligible cannabis farms within a region. A proportional split would capture a greater diversity of cultivation practices in regions with greater number of farms, and would also be consistent with existing wording in the RGA that prioritizes funding small and equity farms, a majority of which are based in the Northern counties.

Inclusion of Sonoma County in Northern California

Draft RGA rules would group Humboldt, Mendocino, Trinity, and Lake counties into a Northern California study, while grouping Sonoma County into a Central California study along with counties as far south as Fresno, Kings, Inyo, and Monterey.

In other contexts, Sonoma County is typically grouped with other “North Coast” counties. Sonoma joins Humboldt, Mendocino, and Trinity counties in contexts including political groupings for federal House districts and statewide Senate and Assembly districts; California climate zones under Title 24; and regulation under the North Coast Regional Water Board (for at least the majority of Sonoma cannabis farms located north and west of Santa Rosa).

From a cultural perspective, Sonoma County is also closely aligned with other northern California counties on cannabis. Sonoma contains a large proportion of small legacy cultivators, hosts the Emerald Cup, and borders Mendocino County. By contrast, Sonoma’s immediate southern neighbors - Marin County, San Francisco County, Alameda County, and San Mateo County - contain little or no outdoor cultivation.

For these reasons, we believe that Sonoma is culturally and geographically significantly more aligned with its northern neighbors than with counties like Monterey and Fresno, and should be included as part of the Northern California study.

Regulatory Recommendations to Promote Environmental BMPs

A primary goal in the draft RGA is to establish a set of best management practices (BMPs) for environmentally sustainable cannabis cultivation.

In addition to this goal, we recommend that an additional deliverable for the program should be a report on regulatory barriers to adopting best management practices. One primary factor that differentiates cannabis farmers from farmers in other sectors of agriculture is the presence of considerable regulatory restrictions specific to cannabis. These regulatory restrictions have a significant impact on cultivation practices, and in some cases may inhibit the ability for farmers to adopt environmentally optimal practices.

A report on regulatory barriers to BMPs could help to inform future DCC, CDFW, Water Board, and even federal rules to help improve environmental outcomes, and to better understand why cultivators have adopted the practices studied under the pilot program.

Thank you for your consideration on these important issues,

Ross Gordon
Policy Chair, Origins Council