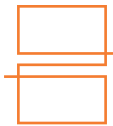




ANNUAL REPORT





HUMBOLDT COUNTY
GROWERS ALLIANCE



Your Staff:
Natalynne DeLapp
Executive Director



Ross Gordon
Policy Director



Alegria Sita
Membership Coordinator



Your Contractors:
Mark Smith
Registered Professional Lobbyist
Smith Policy Group
Contracted through Origins Council



Jason Bryant
Bryant Government Affairs
Thank you for your service (2019-2021)



Aleksa Cvejić
Creative Director



Your Board of Directors:
Kaylie Saxon
Chairwoman
Forbidden Fruit Farms, Alderpoint



Stacia Eliason
Secretary
Bear Humboldt, Arcata



Dylan Mattole
Director
Mattole Valley Sungrown, Honeydew



Lucas Sanders
Director
Terp Mansion, Willow Creek



David Dickinson
Director
Woody Ridge, Briceland



Aaron Lieberman
Director
Paradise Mountain
Thank you for your service (2019-2022)

Letter from your
Executive Director



Looking back to election night 2016, many sat at the edge of their seats wondering what would happen with the presidential election, but my friend and colleague, Terra Carver, and I were biting our nails watching the passage of Proposition 64 by California's voters. During the previous six months, so many Humboldt farmers, approx. 2,300 decided to "come into compliance" with California's Medical Marijuana Regulation and Safety Act and Humboldt County's first cannabis land-use ordinance. Farmers showed up and volunteered sensitive, sometimes incriminating, information to build legal businesses and "do the right thing." And then Prop. 64 happened. We were told we had a seven-year jump start before the new, big corporate actors would be allowed to build cultivation sites over 1-acre (2023 Type 5 License). We believed that we needed to start working together to create a trade association to preserve, protect, and enhance Humboldt County's world-renowned cannabis industry.

With more than a decade of local canna-community organizing, we had learned how places like Napa protected their craft industries. We knew we did not need to reinvent the wheel but learn from other successful efforts, which is why a few days after the passage of Prop. 64, Terra and I drove to Sacramento to meet with another colleague, Humboldt local and Executive Director of the California Growers Association (CGA) Hezekiah Allen. Together, we mapped out the vision of Humboldt County Growers Alliance, a trade association founded to serve Humboldt's cannabis industry. It would include active representation through government advocacy, development of supply-chain markets including collective branding, appellation and county of origin protections, accessing direct farmer sales, hosting B2B events, and communication and education strategies.

On December 2, 2016, we "pitched" HCGA and its programs to roughly sixty farmers and asked them if they wanted us to build the organization. With a resounding yes, and pledges of membership, we got to work. With the support of HCGA's founding Board of Directors, on February 15, 2017, the association was legally incorporated as a California nonprofit mutual benefit organization that would be governed by bylaws and owned by its members. Within the first year, we grew to 168 members and 230 by the following year. We were off to a great start with the wind in our sails.

Then in late 2017, the state betrayed the legacy industry and the voters with the removal of the acre cap, and we knew that we were in for a flood of new commodity cultivation and a potential market crash, and fears were confirmed last sum-

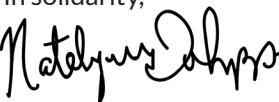
mer when the market collapsed with a sudden thump. We've known that we do not want to compete in a soulless commodity market and won't be able to. Instead, we must create value-added products and a consumer base that values the quality of Humboldt's cannabis, which is why we have worked so hard to develop policies and programs to support a craft cannabis industry for our county. And, that is what we still intend to do.

Nothing about the past six years has been easy. Not for your pocketbooks, family, or children, yet you persist and resist. Our community is one of resilience and defiance. Even though it sometimes feels futile, now is NOT the time to take our eyes off the mission to preserve, protect, and enhance Humboldt County's world-renowned cannabis industry. Instead, it is time to get more clever and find new ways we can work together through collaborative strategies that maximize our existing resources and extensive knowledge.

Looking back at our early members, I smile because there are names who've stood with HCGA from the very beginning. Still, I feel sad because many are no longer with us after making the gut-wrenching decision not to stay in business. Yet, together we continue to grow the organization. We regularly meet new people who join the alliance looking for the support our programs provide.

I am incredibly grateful to the people who made HCGA possible over the years, our co-founder, Terra Carver, our revolving Board of Directors, elected Policy Committee members, staff, and, most importantly, members. Within this annual report, we celebrate five years of service. You will read about the accomplishments and next steps your trade association has taken and continue to take on behalf of Humboldt County's entire cannabis industry. It's been a hell of a year, but we made it.

We are looking forward to many, many more.

In solidarity,

Natalynne DeLapp
Executive Director



Humboldt County Growers Alliance is Your Trade Association

HCGA is your organization - we are Humboldt's organized cannabis industry. HCGA is governed by five, rotating, volunteer Board of Directors who are plant-touching members. Your professional staff is directed by the membership who participate on the Policy Committee, during the Industry Affairs Calls, via Slack, and who show up during public meetings.

Thank you to all of you for your guidance, vision, and leadership!

MEMBERSHIP DUES ARE WHAT FUELS THE MOVEMENT.

Collective organizing takes resources. Your professional staff keeps up-to-date with all things industry, solicits member input, listens and synthesizes feedback, and communicates cohesive messages to targeted audiences.

Why paid staff? Because 100% of their attention is to serve at the direction of the membership. The staff serves at the pleasure of the Board of Directors.

Why contract with a paid lobbyist? Through our partnership with Origins Council, we are contracted with Mark Smith, a registered lobbyist based full-time in Sacramento, for policy advocacy in the state capitol. Crowd-sourcing for a paid lobbyist through a dues-paying membership structure is critical for our ability to equitably represent the range of Humboldt's small and independent cannabis businesses. When "advocates" offer free representation beware of ulterior motives and undisclosed interest groups who are providing the necessary funding for said efforts. As has been said, "If something is free, you're the product."

At HCGA, we have a heart for humanity and a passion for Humboldt County. With a host of knowledge and diverse skill sets, we are ready to be your advocates, guard dogs, policy wonks, sounding boards, and are ready to give you high fives when you need them. We work hard to preserve, protect, and enhance Humboldt County's world-renowned cannabis industry.

HCGA MEMBERSHIP BENEFITS

- Weekly e-newsletter
- Up-to-date & accurate and reliable information related to:
 - Published HCGA work products
 - Agency updates
 - Emerging county, state, and federal policy changes
 - Financial resources e.g. grant opportunities
- Participation in weekly Industry Affairs Calls
- Access to private Online Communication Platform
- Participate in industry "working groups" that shape the organization's program work.
- May serve on HCGA Board of Directors, your Policy Committee, and in the future the Marketing Committee.
- Paid members hold voting rights.
- Invitations to private B2B events (hosted by HCGA and affiliated partners)
- Discount codes from event producers, insurance providers, Allied Industry Businesses, and more.
- Membership Mixers

Your Membership



YOU ARE THE GREATEST AMBASSADORS FOR YOUR TRADE ASSOCIATION.

Members, we need your continued participation and support. Please use the enclosed envelope to renew your membership.

Already paid your annual membership? Please consider making an additional donation to HCGA.

Help us grow our membership. Invite operators within your network to join HCGA. Share this annual report and let them know there are free ways for them to participate.

Help connect staff with potential Allied Industry Businesses.

HCGA TO EXPAND MEMBERSHIP BENEFITS TO ALL HUMBOLDT COUNTY PERMITTED CANNABIS OPERATORS!

In an effort to maximize inclusivity, we are announcing a new, free, program called, Friends with Benefits that is now open to all permitted cannabis operators in Humboldt County. The Friends with Benefits program provides limited pathways for inclusion and participation in HCGA's work, but does not include "ownership" or voting rights within the organization. Benefits include monthly e-newsletter digests, a once-a-month invitation to Industry Affairs Calls, and free access to HCGA events. Expanding industry participation with our new "Friends with Benefits" program will increase paid membership.



Humboldt County Cannabis Farmers Secure Significant Tax Relief

On Monday, February 7, 2022, the Humboldt County Board of Supervisors voted to reduce its county cannabis cultivation tax by 85% for 2022.

Known as “Measure S,” the cultivation tax was enacted by voters in November 2016 and imposed a per square foot tax on the cultivation of legal cannabis. Since 2017, Humboldt’s cannabis farmers have paid \$48.5 million into the County’s general fund.

However, when the wholesale price of cannabis flower plummeted by 70% in the summer of 2021, the production cost of growing became greater than the sale price to the farmer. This market collapse effectively rendered farmers unable to pay their county tax bills, state licensing fees, and state cultivation taxes.

The campaign to Suspend Measure S was launched in January with a website, social media, coordinated messaging, and a petition to the Board of Supervisors.

On Tuesday, January 18, 2022, nearly 300 cannabis operators and their supporters gathered on the steps of the Humboldt County Courthouse for a press conference and rally.

During two Board of Supervisors’ hearings more than 75 people gave public comments and more than 1,000 petition signatures were delivered. The County heard a resounding ask from the public:

- 1. A 100% suspension for Measure S taxes for one year
- 2. No late payment penalty for back taxes paid by September 15, 2022
- 3. To revisit a discussion on restructuring a fair, equitable, and market-responsive tax structure that incentivizes environmental stewardship

With the proclamation, “We (Humboldt County) put the green in the Emerald Triangle!” Supervisor Rex Bohn made a motion for a full 100% suspension of Measure S, which was seconded by Chair Bass. Deliberation ensued between the Supervisors and County staff to examine the impact on the County’s revenues versus the impact on Humboldt’s cannabis industry. Ultimately, three of the four Supervisors found an agreement to slash the tax burden on farmers by 85% for one year, with an additional reassessment of market conditions and the tax rate in the fall.

“People, we have to understand that we are suspending a tax that is applied only to cannabis growers,” said Supervisor Bohn. “The county needs to take a leadership role to help level the playing field to normalize cannabis as agriculture. By changing our tax policies, legal and productive operators have the opportunity to be here in the future. I hope that the State is taking note and will follow our lead to reduce state cannabis taxes.”

“Working together works! The industry stood united to secure significant tax relief for Humboldt’s farmers,” said Natalynne DeLapp, executive director for HCGA. “Our industry was not divided. People and families over revenue! We had each other’s back and knew where we could find compromises. We did not get exactly what we wanted, but we came darn close.”

“Yesterday’s vote was a critical step towards normalization and equal treatment for cannabis agriculture. No other form of agriculture pays a special county tax simply for the right to operate. Measure S is a tax that only could have come out of prohibition, and yesterday Humboldt’s supervisors sent a resounding message that cannabis farmers are just as much a part of our community as any other form of agriculture.” said Ross Gordon, HCGA’s policy director.

“Today Humboldt County took another step in shedding old stigmas against cannabis farmers and leading the way towards the normalization of our businesses,” said Dylan Mattole of Mattole Valley Sungrown. “We’re not there yet, but this was a move in the right direction.”

“I’m very grateful that the Humboldt County Board of Supervisors took a stand to support our cannabis farmers with their reduction in Measure S taxes,” said Linsey Jones of Aloha Humboldt. “The state of California should take note and realize that this kind of leadership and tax restructuring is needed immediately at all levels of cannabis taxation.” “The Humboldt County Board of Supervisors and HCGA secured a crucial point of agreement that will resonate across the state and country,” said Selena Rowan, CEO of Midnight Gardens. “Humboldt cannabis farmers stand in solidarity with cannabis users and businesses across the nation and will no longer stand for these excessive tax burdens, which are a legacy of the unjust, irrational, and racist war on drugs. We are savvy and resourceful, and we are capable of running profitable businesses when taxes and regulations are in parity with other agricultural producers. Next, it’s the state’s turn to eliminate excessive state taxes and regulations that currently prevent BIPOC and legacy operators from entering the industry or sustaining profitable businesses.”



HCGA Government Affairs Program

HCGA's Government Affairs Program provides a unique platform for Humboldt County's cannabis industry to benefit from direct representation with policymakers in Humboldt County and Sacramento.

2021 OVERVIEW:

Going into 2021, HCGA's Policy Committee adopted a strategic plan to pursue an ambitious set of priorities for the coming year.

Your priorities included:

- **Advocating for eliminating the state cultivation tax.**
- **Engaging on provisional license expiration.**
- **Developing a federal policy platform to ensure that Humboldt is represented in national policy conversations.**
- **Reducing the regulatory burden on independent businesses.**

Your Policy Director, Ross Gordon, led your strategic state policy development. The program was supported by lobbyist Jason Bryant of Bryant Government Affairs and directed by HCGA's 2021 Policy Committee.

“NEVER DOUBT THAT A SMALL GROUP OF THOUGHTFUL, COMMITTED CITIZENS CAN CHANGE THE WORLD; INDEED, IT IS THE ONLY THING THAT EVER HAS.”

Margaret Mead



2021 Policy Wins



Secured an 85% county tax cut for 2022 - HCGA led the campaign to suspend Measure S, resulting in a Board of Supervisors vote to cut county cannabis taxes by 85% for 2022. HCGA also successfully advocated for a deferral of October 2021 cannabis tax payments, first until May 2022, and then until September 2022.



Expanded access to on-farm trimming for small farms - HCGA successfully advocated for a county policy statement establishing a pathway for farms up to 10,000 square feet to conduct trimming on-farm under a cottage exemption, without being required to meet commercial building requirements.



Secured over \$12 million in direct grant funding for water storage - in response to a county proposal to restrict second and third runs in response to drought conditions, HCGA successfully advocated for an incentives-based approach to encourage additional adoption of water storage. The county chose not to restrict cultivation in 2021, and instead approved a plan to dedicate over \$12 million in state funds as pass-through grants directly to cultivators to install additional water storage, along with \$3 million in direct grants to cultivators for renewable energy.



Successfully defended size limitations in Humboldt's cannabis ordinance - HCGA successfully advocated to scale back a proposed 23-acre farm to under the 8-acre size cap established in Humboldt's cannabis ordinance, setting a precedent to prevent unlimited-scale cannabis cultivation in Humboldt.



Secured amendments to state hemp legislation to establish parity between hemp and cannabis - HCGA successfully advocated on state hemp legislation, AB 45, to close loopholes allowing the sale of synthetic intoxicating hemp derivatives such as delta-8 THC, restrict the sale of hemp products high in delta-9 THC, and to require testing of hemp products for pesticides and other contaminants.



Established a framework for trade samples for small producers - HCGA secured amendments to state trade samples legislation to allow producers to transport trade samples directly to retailers with a self-distribution license, rather than requiring transport through a full distributor. In 2022, HCGA will continue to advocate to ensure trade samples are accessible for small producers.

WE ARE INFLUENTIAL WITH POLICY MAKERS



Successfully advocated for a state provisional licensing extension - HCGA successfully supported a state extension of provisional licenses past their originally-slated expiration date of January 1, 2022, and secured longer timelines for farms under one acre to transition into full annual licensure.



Expanded access to immature plant transfers - HCGA successfully advocated with the DCC to allow immature plant transfers among multiple licenses held by the same farm. In 2022, HCGA will continue to advocate to allow the transfer of immature plants between different licensed farms.



Submitted extensive comments in preparation for DCC regulatory reforms - in collaboration with Origins Council, HCGA submitted over 35 pages of comments on proposed regulatory changes to the DCC in preparation for an expected reconsideration of state cannabis regulations in 2022. Key priorities include expanding access to processing, establishing a fallowing program, and removing the requirement to tag each plant in METRC.



Secured amendments to DCC emergency regulations - HCGA submitted extensive comments on proposed DCC emergency regulations in September, and secured a number of changes including defeating a proposed new \$500 premises change fee and allowing cultivation premises to be based partially within a residence.



Engaged on federal cannabis legalization proposals - in response to the proposed federal Cannabis Administration and Opportunity Act (CAOA) introduced by Senator Schumer, HCGA established a federal policy platform centered on the normalization of cannabis as agriculture, protection of the Humboldt name in interstate commerce, and an equitable federal tax policy, and is actively engaging with our federal representatives to push these priorities forward.

Legacy Cannabis Producing Regions Join Forces to Become California’s Largest Cannabis Advocacy Organization

At the close of the 2021 state legislative season, HCGA chose to end its independent Government Affairs Program in favor of a returning to collective government affairs strategy.

When HCGA was founded, the organization partnered with the California Growers Association (CalGrowers) with Executive Director Terra Carver serving as the Policy Chair for CalGrowers and board members from other regional trade associations in Nevada, Sonoma, Mendocino, and Trinity counties. We met CalGrowers policy staff Ross Gordon and longtime cannabis lobbyist Jason Bryant during these years. At the end of 2018, when CalGrowers folded as an organization, Humboldt was in the fortunate position to be able to initiate its own Government Affairs Program in 2019 and brought both Ross and Jason into the HCGA fold.

Throughout 2019, 2020, and 2021, HCGA worked closely with the Origins Council and its Regional Council of trade associations from Mendocino, Trinity, Sonoma, Nevada, and Big Sur on various state policies. Given the systematic constraints facing not only Humboldt, but other legacy cannabis producing regions, in fall 2021, HCGA’s Board of Directors approved joining forces with Origins Council to launch a collective government affairs program representing all six regions.



In November 2021, HCGA formally joined Origins Council (OC) as a regional partner for state and federal cannabis policy advocacy. OC’s Government Affairs Program now represents nearly 900 licensed cannabis businesses in legacy California-producing regions, making it the largest membership-based cannabis advocacy organization in California and among the largest in the United States.

Origins Council is a 501(c)4 advocacy organization that partners with membership-based trade associations representing California’s legacy cannabis-producing regions. In joining the Regional Council, HCGA joins the Mendocino Cannabis Alliance, Trinity County Agriculture Alliance, Sonoma County Growers Alliance, Nevada County Cannabis Alliance, and Big Sur Farmers Association as OC Regional Partners.

Origins Council is represented by lobbyist Mark Smith, Founder, and Principal at the Smith Policy Group (SPG), a Government Relations firm representing clients in Sacramento and Washington D.C.

By unifying the voices of the three Emerald Triangle counties with other major California legacy producing regions, Origins Council will serve as a unified voice for small and independent legacy cannabis operators to advocate on state and federal cannabis policy. The membership of Origin Council’s six regional partner organizations collectively includes hundreds of small, independent, and legacy cannabis farms, as well as manufacturers, distributors, retailers, testing laboratories, and ancillary businesses.

HCGA will continue to advocate independently on behalf of Humboldt County businesses on policies at the local level. HCGA will also continue to independently carry out a wide range of non-policy activities on behalf of its membership, including programs related to education, public relations, and market development.

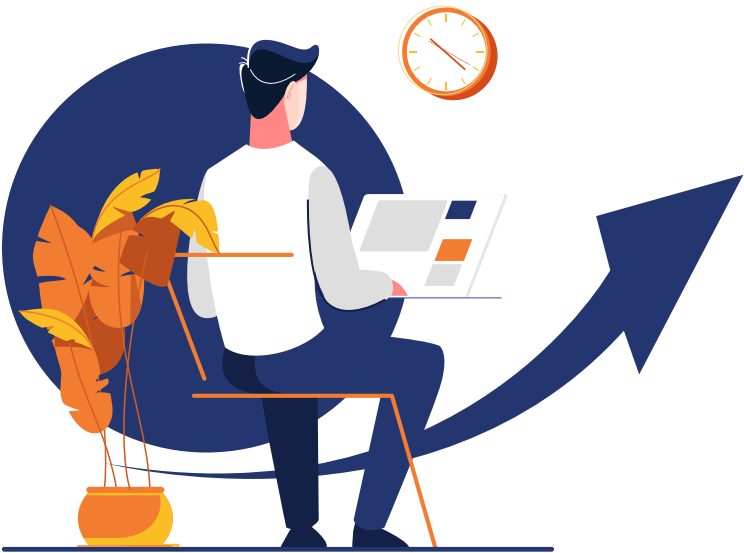
Following the decision to join Origins Council, HCGA now advocates collectively with the other OC regional partners in Trinity, Mendocino, Sonoma, Nevada County, and Big Sur on state and federal cannabis policy.

Based on input from HCGA membership and OC’s other partners, OC develops an annual policy platform to guide our collective advocacy on the state and federal level. The policy platform is subject to approval by the HCGA Policy Committee and the policy committees of the other regional partner organizations. As additional policy issues arise throughout the year, HCGA and OC’s other regional partners operate on a consensus basis to reach policy positions and advocate on timely issues.

Policy issues are discussed on HCGA’s weekly Industry Affairs Calls, and monthly Origins Council Regional Meetings are open to HCGA Membership.



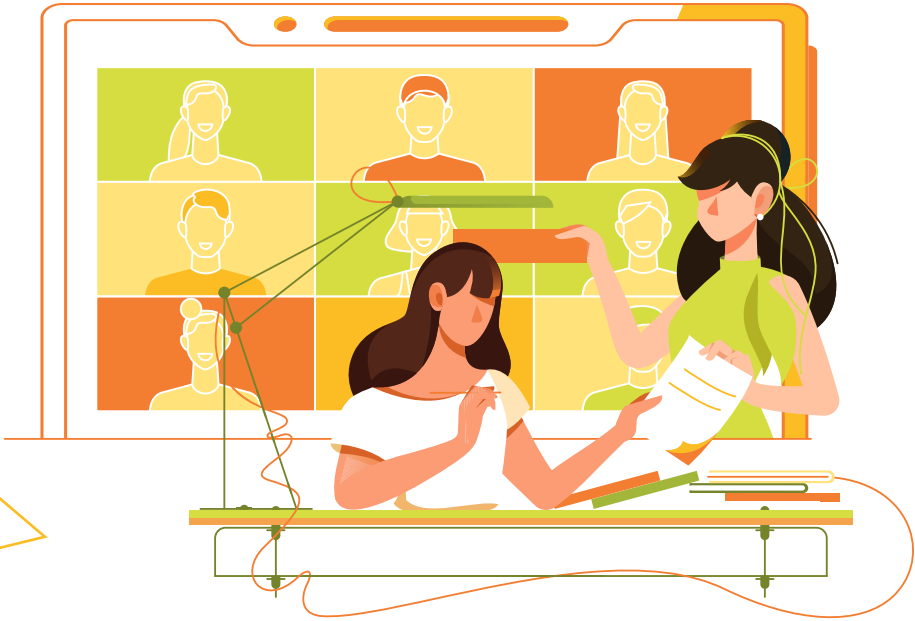
HCGA REPRESENTS ITS MEMBER’S INTERESTS THROUGH TRANSPARENT DEMOCRATIC PROCESSES.



1 STAFF “MONITORING” THE LAWS



2 INFORMATION PRESENTED TO THE MEMBERSHIP



3 MEMBERS GIVE FEEDBACK AND MAKE RECOMMENDATIONS



4 POLICY COMMITTEE VOTES



6 ORIGINS COUNCIL VOTE

5 HCGA APPROVED POSITION (PEOPLE APPROVED)

HCGA continues advocating independently on behalf of Humboldt County businesses on policies at the local level. HCGA continues to independently carry out a wide range of non-policy activities on behalf of its membership, including programs related to education, public relations, and market development.

2022 Policy Committee Members



Chairperson
KAYLIE SAXON
Forbidden Fruit Farms



District 2
NIKOLAI ERICKSON
Full Moon Farms



District 3
KIMBERLY HAILE
Arcata Processing Co & Bear Extraction House



District 4
LINDSEY RENNER
Native Humboldt & Eureka Distribution



District 5
HANNAH WHYTE
Emerald Queen Farms



At-large
ALEXIS HUBER
Highline Nursery



Appointed
MARK FELDMAN
Proxima Investments



Appointed
NATHAN VOELCKERS
Cache Farms



Appointed
MOHAMAD ALNAKHLAWI
Green Ox Distribution



Appointed
ROSE MOBERLY
Huckleberry Hill Farms

2022 Strategic Priorities

In collaboration with Origins Council, our 2022 Policy Platform priorities includes:

- **State-Level Tax Reduction, Including Elimination the Cultivation Tax** - building on the 85% reduction of Measure S taxes at the local level, HCGA and Origins Council are advocating for state-level tax reform that permanently eliminates the state cultivation tax and provides overall tax relief to the cannabis industry. In February, Senator McGuire, representing the North Coast, introduced SB 1074 to permanently eliminate the state cultivation tax and provide three and a half years of tax relief for cannabis businesses. Governor Newsom, as well as several other state legislators, have put forward their own proposals to eliminate the cultivation tax, reduce cannabis taxes, or both.
- **Small Producer Direct Sales at Cannabis Events** - working with Assemblymember Wood from the North Coast, HCGA and Origins Council have worked to introduce AB 2691, legislation that would allow small cultivators under an acre in size to sell products directly to consumers at up to twelve cannabis events per year.
- **Fallowing of Cultivation Licenses** - Origins Council and HCGA are advocating with the DCC and the state legislature to establish a “fallowing” policy that allows farmers to place licenses in a temporary non-operational status without paying a full annual state licensing fees, allowing farmers to cut back production in response to market and drought conditions without risking their state license.
- **DCC Regulatory Reform** - anticipating substantial reforms to state cannabis regulations, HCGA and Origins Council have approved a 34-page regulatory platform for DCC with suggested changes to state cannabis regulations, including improvements to track-and-trace, allowances for legacy genetics, improved access to processing, and other issues. On March 4, the DCC released over 500 pages of substantial proposed revisions to state cannabis regulations, initiating a process for public input on regulatory reforms that will likely last through the Fall.
- **Small Business Carve-Outs in Federal Cannabis Policy** - existing proposed federal cannabis legislation in both the Senate and the House of Representatives contains little or no recognition for small cannabis businesses in general, and small producers in particular. HCGA and Origins Council are engaging with our federal representatives and small cannabis producers in other states to introduce federal language that specifically protects small cannabis producers in federal legalization.



“LEADERSHIP IS THE CAPACITY TO TRANSLATE VISION INTO REALITY.”

Warren Bennis

HCGA Market Development Program

HUMBOLDT COUNTY’S WORLD RENOWNED CANNABIS IS RECOGNIZED AND SOUGHT AFTER.

In 2019, Humboldt County first announced an intention to fund a collective countywide marketing program for Humboldt cannabis based on a reinvestment of a portion of Measure S tax revenue. Three years later, with three separate RFPs released and no contractor yet selected, the program has yet to be launched.

In July 2020, at the request of county staff, HCGA authored the Humboldt Cannabis Marketing Assessment with the goal of informing the structure for an effective and equitable county-wide marketing effort modeled on existing efforts in Napa, Bordeaux, and elsewhere. In December 2021, HCGA learned it was disqualified from bidding on the county’s marketing contract based on a ruling from the Fair Political Practices Commission (FPPC). Specifically, the FPPC found that HCGA’s authorship of the Humboldt Cannabis Marketing Assessment precludes HCGA from participating in the implementation of publicly-funded marketing efforts.

On December 17, in a presentation to the Project Trellis committee, Humboldt county counsel made a number of concerning statements regarding the process for establishing a county-funded collective marketing effort. First, county counsel made clear that RFP proposals for collective marketing would not be made available for public review or comment prior to a recommendation from the Trellis committee, locking the cannabis industry out of the ability to control or provide feedback on their own collective marketing efforts. County counsel also suggested that the client for a marketing contract was the county itself, and not the farmers who are funding it, stating that a marketing plan must be selected based on a “duty of loyalty to the county, that you will put the county’s interests above yours, or people who are considered family.”



Following these developments, in January 2022, HCGA’s Policy Committee and Board of Directors voted to approve the following position:

- Oppose a county-funded Humboldt cannabis marketing effort.
- Direct HCGA staff to prioritize the facilitation of an industry-wide conversation on an industry-run collective Humboldt cannabis marketing effort.

In regions throughout the world, including Napa and Bordeaux, producer-run trade associations are the central player in collective regional marketing efforts. In these regions, geographical indications (GIs) are the critical conceptual approach that enable collective marketing efforts by craft producers to not just be successful, but also equitable and democratically grounded, thereby maintaining control of the collective brand in the hands of the producers themselves rather than large, heavily-financed corporate actors.

Industries which are comprised of a wide diversity of small, independent, regionally-grounded businesses – such as those in Napa, Bordeaux, Kona, and Colombia – are inherently in tension with more traditional business approaches which seek to maximize market share through the consolidation, corporatization, and commodification of smaller operators. The ability for regional craft producers to resist trends towards consolidation is based, first and foremost, in the establishment of strong institutional structures and mechanisms for equitable participation by the affected producers.

The next step for HCGA is to launch a collective marketing effort, fundamentally controlled and governed by the industry itself, that follows the successful precedent in Napa to protect Humboldt’s world-renowned reputation for craft cannabis.

Next Steps Collective Marketing

DEVELOP AN ELECTED MARKETING COMMITTEE

“The organizational and decision-making structure that determines marketing efforts should be representative of, and accountable to, the Humboldt cannabis industry” (Marketing Assessment Recommendation #4).

Based on successful geographical indications from around the world, we believe that Humboldt’s cannabis industry needs to represent and determine for itself what is best. Composed of majority producers, along with manufacturers, distributors, and retailers, the elected Marketing Committee’s role is to help establish strategic plans, prioritize financial resources, approve contracts, and make decisions based on what is best for the industry. It seeks input and advice from their professional staff, from non-voting members, and a potential advisory committee.

FUND A COLLECTIVE MARKETING EFFORT

To develop an initial collective marketing strategy, HCGA would need to increase its dues paying membership and secure additional donors. A variety of fundraising strategies could be employed including events, merchandise, corporate sponsorships, profit sharing, and grants.

HIRE ONE FULL-TIME MARKETING PROFESSIONAL TO LEAD THE MARKETING PROGRAM

The ideal candidate understands how cannabis moves through the California supply chain. They speak to farmers and retailers alike and present well; are available to travel throughout Humboldt and California for farm tours, trade shows, and B2B events; possess excellent written and verbal skills as they will write copy for websites, newsletters, and social media; they have excellent social media skills and are a capable content creator; will solicit existing local marketing assets & content to repackage and repurpose; coordinates Marketing Committee meetings and weekly State of the Market meetings; develops coordinated and focused messaging strategies for the industry; and ability to listen, take direction, and synthesize many ideas into cohesive and effective marketing strategies.

PROPOSED DELIVERABLES:

- New consumer-facing website with collective story telling and technology integrations to connect Humboldt to consumers across the state
- Weekly Market Development Call – state of market conditions
- Coordinated social media strategies
- Earned media public relations strategies
- Development of an events program
- Support canna-tourism opportunities



HUMBOLDT COUNTY’S COLLECTIVE INTELLECTUAL PROPERTY IS PROTECTED AND ENHANCED, AND A UNIFIED MARKETING STRATEGY IS DEVELOPED.

HCGA Education Program

EDUCATION & ADVOCACY

Building an effective grassroots movement means empowering our people with knowledge and information on how to engage the various bureaucratic agencies that impact your businesses. Education is fundamental. We learn from one another, share information, and then deliver messages to educate decision-makers, the public, and the media as to our needs and proposed solutions.

Learn Citizen Advocacy:

- How to watch-dog your government
- How to find legislative agendas
- Best practices when delivering public comments

EDUCATION & MEMBERSHIP

Within HCGA, we employ a variety of educational tools, namely our weekly e-newsletter, which is filled with information, published work products, and opportunities. Our weekly Industry Affairs Call held Wednesday mornings from 9:00 AM to 10:30 AM on zoom, brings our community together to hear about current affairs, the members educate staff, and provides a forum for input and discussion. We use our private the online communication platform, Slack, as our day-to-day message board for the most immediate and up-to-date goings on in the cannabis industry, and hcga.co is updated regularly with news and information. Additionally, HCGA distributes a quarterly print publication, the Terpene Tribune.

KNOWLEDGE IS
POWER AND
EDUCATION IS HOW
WE GET THERE.



EDUCATION & INDUSTRY

HCGA does its best to provide the industry with tools and know-how to be able to compete, comply, and thrive in the regulated market. To accomplish this goal, we provide access to free educational resources, and online workshops.

In 2021/2022 HCGA provided the following webinar workshops, which can be viewed at our “Humboldt County Growers Alliance” YouTube channel.

- *How to Build a Brand*
The Yak Group
- *Primal Branding for Cannabis Operators*
Bill Prescott
- *Labor Peace Agreements*
UFCW
- *Human Resources for Cannabis*
Bloom HR
- *Cannabis Tax Law and 280E*
Valeria Cruz Sandino of KWB Accounting
- *Complying with California's New Rules for Trade Samples*
Omar Figueroa
- *Building an Intellectual Property Portfolio*
Omar Figueroa

EDUCATION & CONSUMERS

In 2021, HCGA partnered with Daniel Montero and his team with GW Smoke Break TV to produce a short film, “Legends of the Fall” with interviews with Tory Schanzle of Cherry Valley Farms, Season George of Five Sisters Farm, Tommy & Karen Hessler of Amaranth Farms, Lindsey Renner of Native Humboldt Farms, Tina Gordon of Moon Made Farms, Alicia Renata of Blue Rock Gardens, Wendy Kornberg of Sunnabis, Aiyana Gregori of Humboldt Synchronicitrees, Sunshine Cereceda of Sunboldt Grown, and Natalynne DeLapp of HCGA. The film shares snippets of the Humboldt lifestyle and invites people to understand what has happened in Humboldt, who our people are, why it is important to remember Humboldt’s place in cannabis history, and our future role.



EDUCATION & THE MARKET PLACE

HCGA seeks to expand its educational offerings to include a robust and staffed, Market Development Program. Within our Market Development Program, we would host imagine a weekly call, similar to our Industry Affairs Call, but focused solely on market conditions and marketing strategies to increase chances for local businesses’ survival and profitability. See page 17 for next steps collective marketing.

HCGA Celebrates Five Years!

On Saturday, March 5, 2022, canna-community colleagues gathered together at the Scotia Lodge for the Yes We Can celebration and HCGA Annual Meeting. More than 150 people sat down for a presentation, which included announcing an outline for a marketing campaign to persuade buyers and consumers to “Ask 4 Humboldt.”

After the presentation, participants worked together to brainstorm and envision their marketing program:

- Build your dream marketing program.
- Fund your marketing program.
- Participate in your marketing program.
- Elect representatives to your marketing program.

See page 17 for the Next Steps Collective Marketing



YES, WE CAN BUILD A COLLECTIVE MARKETING STRATEGY THAT PERSUADES BUYERS AND CONSUMERS TO “ASK FOR HUMBOLDT.”



YES, WE CAN PRESERVE, PROTECT, AND ENHANCE HUMBOLDT COUNTY’S WORLD-RENOWNED CANNABIS INDUSTRY.



YES, WE CAN EFFECT POSITIVE CHANGE IN HUMBOLDT COUNTY, AND THROUGH OUR WORK WITH ORIGINS COUNCIL IN SACRAMENTO AND D.C.

Introducing Humboldt “Live Markets” Summer 2022

FARMERS AND SMALL MANUFACTURERS NEED DIRECT SALES OPPORTUNITIES

Working with local retailers and industry partners, HCGA is bringing Business-to-Consumer “Live Market” events to Humboldt County during the summer and fall of 2022. Meet your Farmer-type events provide opportunities for retail-ready producers to interact directly with their prospective customers, build relationships, and educate consumers. In addition, local B2C events promote canna-tourism and canna-awareness among our greater community.

- Westside Live Market, Saturday, May 28, 2022
- Eureka Friday Night Markets, Fridays in July, August, and September
- Eureka Arts Alive, First Saturday of the month



HCGA Monthly Mixers

HCGA Mixers are back! Hosted monthly on the third Thursday of the month from 5:30 PM to 7:00 PM, connect with peers to talk about opportunities that are presenting themselves, how you’re handling challenges, and/or tips and techniques for how you’re addressing distribution (or not), or how to maximize water efficiency. One never knows what you may glean from chatting with your canna-colleagues.

Locations subject to change. For the most up-to-date mixer information, check out: hcgaco.org/mixers

- Thursday, April 21: Septentrio
- Thursday, May 19: Phatsy Kline’s
- Thursday June 16: Willow Creek Location (TBD)
- Thursday July 21: Humboldt Bay Provisions
- Thursday August 18: Hatchet House, Arcata (TBD)
- Thursday, September 15: Phatsy Kline’s
- Thursday, October 20: Six Rivers Brewery
- Thursday, November 17: Phatsy Kline’s



2021 Financial Report

Overview

Income

Allied Industry Business	\$88,255.00
Cannabis Membership	\$192,202.95
Booth Fees	\$1,650.00
481 (A) Adjustment Revenue	\$23,122.00
Interest Income	\$3.53

Total Income **\$305,233.48**

All Expenses

Administrative	
Bank Charges	\$4,749.72
Web-Tech	\$5,214.01
Insurance	\$11,448.12
Internet & cell phones	\$5,541.28
Office Supplies	\$1,415.87
Rent	\$7,259.00
Travel + Meals Expense	\$905.37
Dues & Subscriptions	\$504.87

Total Administrative **\$37,038.24**

Outreach	
Event Cost	\$2,189.89
Printing & Newsletters	\$4,931.30
Promotions	\$1,232.72

Total Outreach **\$8,353.91**

Taxes CA + U.S.	
Income tax	\$18,977.89

Total Taxes Paid **\$18,977.89**

Human Resources	
Staff & Payroll Expense	\$156,784.36
Independent Contractors	\$65,389.91

Total Human Resources **\$222,174.27**

Total Expenses **\$286,544.31**

Total Revenue **\$305,233.48**

Total Income **\$18,689.17**

Statement of Financial Position

Current Assets

Cash	\$62,415.44
Receivables	\$0.00
Other	\$688.02

Total Assets **\$63,103.46**

Liabilities

Payroll	\$10,994.76
Deferred Revenue Adjustment	\$23,122.00

Total Liabilities **\$34,116.76**

Equity

Retained Earnings	\$10,297.53
Net Income	\$18,689.17

Total Liabilities & Equity **\$63,103.46**

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Building a Culture of Philanthropy, Advanced Nutrients Gives Back!



“When I first started working with Advanced Nutrients I thought that the job would just be visiting grow stores and cannabis farms, helping people achieve higher yields and quality with our nutrient program. Shortly after I was hired I found myself handing out blankets and backpacks filled with essential items to the homeless community in Eureka and then giving out Nutrients to families affected by the California wildfires. I had no idea that i would be helping people recover from the biggest loss of their entire lives. Big Mike’s mission has always been “Making Cannabis an Acceptable and Everyday Part of Healing Humanity” and these experiences have shown me what giving back to the cannabis community and Healing Humanity really looks like.” Victor Romito, Northern California sales representative.



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Our Services:

- | | |
|--|---|
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| METRC Services | • Sales projections |
| Cannabis Standard Operating Procedures | • Compliance assessments |
| Farm Managing & Farm Labor | • Human Resource administrative support |
| Compliance Assessments | • Land development and restoration |
| | • Site design, irrigation and site improvement projects |
| | • Strategic relationships |
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COMMITTED TO COMMUNITY



P.O. Box 1404
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**PRESERVE, PROTECT AND
ENHANCE HUMBOLDT'S
WORLD-RENOWNED
CANNABIS**

