

HCGA ANNUAL REPORT

APRIL 2022 - APRIL 2024



Board of Directors & Staff



Board of Directors:

Dylan Mattole (Chair)
Mattole Valley Farms, Honeydew



Hannah Whyte
Emerald Queen Farms, Willow Creek



Indicus Riggs
Galactic Farms, Stafford



Polly Kinsinger
Mama Bear Farms,



Steven Luu
SL Consulting



Your Staff:

Natalynne DeLapp
Executive Director



Ross Gordon
Policy Director



Thank you for your service!

Lucas Sanders (outgoing 2024)
Terp Mansion, Willow Creek



Stacia Eliason (outgoing 2023)
Bear Humboldt



David Dickinson (outgoing 2023)
Woody Ridge Farms



Kaylie Saxon (outgoing 2022)
Forbidden Fruit Farms



HUMBOLDT COUNTY
GROWERS ALLIANCE



Your Contractors:

Mark Smith
Registered Professional Lobbyist
Smith Policy Group
Contracted through Origins Council



Aleksa Cvejić
Creative Director

Letter from your Executive Director

As I reflect on this past couple of years, I am both humbled and inspired by the resilience and dedication of our community. The cannabis industry, especially in Humboldt County, has faced significant challenges, yet we continue to persevere with determination and unity. Our shared commitment to preserving and enhancing the legacy of Humboldt cannabis is what fuels our progress and hope for the future.

The landscape of our industry is undeniably shifting, marked by ongoing attrition and the pressures of an evolving market. While I do not possess a crystal ball to predict swift changes in state or federal cannabis policy, I firmly believe that our strength lies in how we choose to engage with these challenges. By maintaining a unified trade association, we can effectively advocate for our interests and navigate the complexities of this industry.

Our partnership with Origins Council and the National Craft Cannabis Coalition positions us for the best chances of success. These alliances amplify our voice and enable us to advocate more powerfully for fair regulations and policies that support small and independent cannabis businesses. Together, we are stronger and better equipped to influence positive change.

This past year, we extended an immense amount of resources to combat Measure A. The effort to defeat Measure A brought our entire community together, with overwhelming support from across the county to protect small farmers. The alliances and coalitions we built during this campaign will serve us well into the future, reinforcing the strength of our community.

We also celebrate significant accomplishments in reducing financial burdens for all cannabis operators. The Measure S tax cuts and the elimination of the State Cultivation Tax over the past few years have resulted in substantial savings, providing much-needed relief to our community.

Additionally, our focus on supporting business entrepreneurship and developing tourism assets is vital. By diversifying income streams, farmers can create new opportunities that bolster their businesses. The “Ask for Humboldt” campaign represents the beginning of a platform for collective marketing, targeting individuals who seek the unique and high-quality cannabis that Humboldt is renowned for. This initiative is not just about promoting a product; it’s about telling our story and connecting with consumers who value the heritage and craftsmanship of Humboldt cannabis.

Despite the uncertainty and challenges we face, we must remain vigilant and proactive. Our role as watchdogs is crucial—we need to constantly monitor for threats and opportunities, ensuring that we protect our community from those who may seek to sow division or exploit our vulnerabilities. Our collective vigilance is our greatest defense against external pressures and internal strife.

Every week, HCGA hosts its Industry Affairs Call, providing a platform for members to share knowledge, discuss pressing issues, and stay informed. These calls have been instrumental in fostering a sense of community and collective problem-solving, reinforcing that we are not alone in our struggles or successes.

Looking ahead, we remain hopeful for positive developments on the federal level, including the rescheduling of cannabis, the potential for farmer direct sales at events, and the passage of the SHIP Act. These advancements could open new pathways for our industry, offering significant opportunities for growth and success.

As we move forward, it is clear that the path will not be easy. However, I am confident that by staying united, informed, and engaged, we can navigate these turbulent times and emerge stronger. Our mission to preserve, protect, and enhance Humboldt County’s world-renowned cannabis industry is more important than ever.

Thank you for your unwavering support and dedication. Together, we will continue to advocate for a brighter future for Humboldt cannabis, ensuring that our legacy endures and thrives.

In solidarity,

Natalynne DeLapp
Executive Director



Humboldt County Growers Alliance: Your Trade Association

We are the unified voice of Humboldt’s cannabis industry.

At HCGA, we have a heart for humanity and a passion for Humboldt County. With extensive knowledge and diverse skill sets, we serve as your advocates, guard dogs, policy experts, sounding boards, and cheerleaders.

Our tireless efforts are dedicated to preserving, protecting, and enhancing Humboldt County’s world-renowned cannabis industry for your benefit. As your vigilant trade association, we act as watchful guardians of your interests, continuously monitoring for potential threats and opportunities to support our mission on your behalf.

Governed by a volunteer Board of Directors, HCGA is directed by its membership to perform the work needed and requested. Our successes are the result of thoughtful engagement from our members, who participate actively in the Policy & Marketing Committees, Industry Affairs Calls, Slack discussions, and show up at public meetings.

MEMBERSHIP DUES FUEL THE MOVEMENT.

Collective organizing requires resources. Our dedicated professional staff stays up-to-date with all industry developments, solicits member input, listens and synthesizes feedback, and communicates cohesive messages to targeted audiences.

HCGA MEMBERSHIP BENEFITS:

- Weekly e-newsletter with accurate and reliable information on:
 - Agency updates & County, State, and Federal policy changes.
 - Financial resources, including grant opportunities
 - Published HCGA work products.
- Participation in weekly Industry Affairs Calls
- Access to a private Online Communication Platform
- Invitations to B2B events & mixers
- Discount codes from event producers, insurance providers, Allied Industry Businesses, and more.



Measure A Defeated: A Triumph for Humboldt County!

With an overwhelming 76% of voters rejecting Measure A, formerly known as the Humboldt Cannabis Reform Initiative (HCRI), victory was achieved through two years of dedicated advocacy by the No on Measure A Committee to Protect Small Farmers, sponsored by HCGA.

This success was a testament to the coalition-building efforts that united an unprecedented left-right coalition of political leaders, cities, chambers of commerce, tribes, law enforcement, farmers, small businesses, and environmentalists. Together, they exposed the detrimental impact of Measure A on Humboldt’s legal cannabis farms, environment, economy, public safety, and cultural fabric.

HCGA recognized the threat of the HCRI in March 2022 when the citizen initiative was submitted to the Humboldt Elections Office, at which point it could not be altered, amended, or improved. HCGA initially sought to politely engage with the proponents and explain the substantive issues with the initiative, but it was met with disinterest and unwillingness to hear concerns.

The proponents, a few retirees from Kneeland, initiated signature gathering for their initiative, marketing it as “protective of small cannabis farms,” tapping into a sympathetic public sentiment. By September 2022, they amassed enough signatures to compel the county Board of Supervisors to adopt it as is or place it on the March 2024 ballot for voters’ consideration.

The Board of Supervisors instructed the Humboldt County Planning Department to conduct an impartial analysis of the initiative, aiming to inform the public about the impacts of the specific language therein. This analysis was publicly presented in March 2023.

The County’s analysis echoed the concerns previously voiced by HCGA in its assessment, highlighting even more severe implications should the initiative be enacted into law. With a one-year timeframe, HCGA established a California Political Action Committee (PAC) and initiated efforts to alert farmers about the imminent threats posed by the HCRI and how voters might react to the initiative in the forthcoming election.

By activating HCGA’s membership, we launched a grassroots education and fundraising campaign to provide the necessary resources for defending against the looming threat of the citizen initiative.

The PAC implemented a multi-pronged strategy encompassing legal analysis, litigation, and public relations. In October 2023, HCGA filed litigation in Humboldt Superior Court challenging the misleading tactics used in the initiative and its signature gathering, seeking to remove the initiative from the ballot. Nevertheless, the judge dismissed these arguments, emphasizing that the courts should not impede the people’s right to vote on initiatives. Despite the lawsuit’s outcome, it was at this juncture that the public and media became acutely aware of the deception and trickery employed by the proponents, leading to a shift in favor of the No on A campaign.

In January 2024, the campaign initiated its voter education and registration efforts, utilizing various forms of media and tapping into the extensive social networks of its coalition. Despite extensive coalition building and efforts, the PAC remained uncertain about voter response, prompting the coalition to maintain its momentum and sustained engagement until Election Day. On Election Day, the coalition to Oppose Measure A gathered at the Pearl Lounge in Eureka for the Election Night Celebration Party. At 8:30 PM, when the first results were announced, 73% of voters had cast NO votes. Relief and exaltation filled the room as hugs, laughter, tears, and howls of joy were shared among the group, cherishing the victorious moment together. Over the next few weeks, as remaining ballots were tabulated, the margin of victory steadily increased to over 76% opposed to Measure A.

Almost immediately following the defeat of Measure A, the proponents, now calling themselves the “Ad Hoc Watershed Adaptive Management Group,” attempted another push—demanding that the Board of Supervisors freeze permitting and impose a new list of purported environmental requirements. HCGA and its coalition swiftly acted, advocating with the Supervisors to ensure this proposal did not gain traction. Ultimately, at the Supervisors’ hearing, the board accepted the Planning Department’s staff report and did not take any action to freeze permitting or initiate another ordinance revision. It is often most challenging to discuss the “things that did not happen” because while it may seem like nothing happened, considerable energy and resources are invested in ensuring that certain actions do not occur.

For now, Humboldt operators can breathe a sigh of relief knowing there are no immediate changes to the existing land-use ordinances. However, this does not rule out future opportunities for changes that could benefit or harm Humboldt cannabis farmers. Stay tuned and stay vigilant.

Measure A Defeated: A Triumph for Humboldt County!

Farmers unite at Cannifest in Eureka, September 2023. Over 400 green "I Heart Humboldt: No on Measure A" t-shirts were distributed, followed by the "Yes We Cann Parade" through Old Town Eureka, enlivened by music from DJ Marjo Lak of Humboldt Trim Co.



The cannabis community speaks out at City Council meetings in Arcata, Eureka, Rio Dell, and Fortuna. By sharing their unique stories about the potential impact of Measure A on their businesses, the economy, and functional governance, these cities took stands against Measure A.



The Keep Farmers Farming concert and rally at the Bayside Grange featured musician Brett McFarland and a family-style chili feed dinner. More than 200 people of all ages gathered to show their support to defeat Measure A.



The plaintiff team at Humboldt County Superior Court challenges the misleading tactics used in the initiative and its signature gathering.

CRITICS WARN 'KAREN INITIATIVE' COULD WIPE OUT CALIFORNIA POT FARMS

Lester Black, SFGATE

Campaign victory party celebration with friends, supporters, and local political officials. (Thank you to Andrew Goff from the LoCo for the photo.)

Getting the word out about Measure A: The coalition appeared several times on Headline Humboldt, worked with journalists locally and beyond, and participated in commercials, debates, and radio shows.



This is what Grassroots Looks Like. It Takes a Village!

On behalf of the No on Measure A Committee to Protect Small Farmers, we extend heartfelt gratitude to all who supported and contributed to defeating Measure A! Special thanks to Craig and Melanie Johnson and the plaintiffs in the litigation: Johnny Casali, Steve Luu, Pat Andrews, Karen and Tommy Hessler, and Indicus Riggs. Jackee Riccio and Cannabis for Conservation. The North Coast Growers Association and the Arcata Farmers Market Volunteers: Sandi DeLuca, Ed Janicki, Polly Kinsinger, Nicole Riggs, Rob Gale, Ali Shore, Michael Bettencourt, Tom O'Connor, and Suzanne Maese. The 4th Street Coalition, including Humboldt Nation, Green Ox, and Moca Humboldt. Digital keyboard warriors Ed Janicki and Geoff Churchill.

We acknowledge the invaluable contributions of Letter to the Editor Writers Tasha McKee, Noah Levy, Mark Lovelace, Paul Hagen, Nate Madsen, Jackee Riccio & Kelly O'Rorke, as well as those who appeared in commercials: Portia Bramble, Nancy Olson, Lorelie Sandomeno, Indy Riggs, Shanon & Cassandra Taliafero.

Gratitude is also extended to all businesses and homes proudly displaying No on A signs, as well as to our generous funders. More than 120 of these supporters provided unwavering support, ensuring the success of our campaign. We cannot express enough the depth of our gratitude.

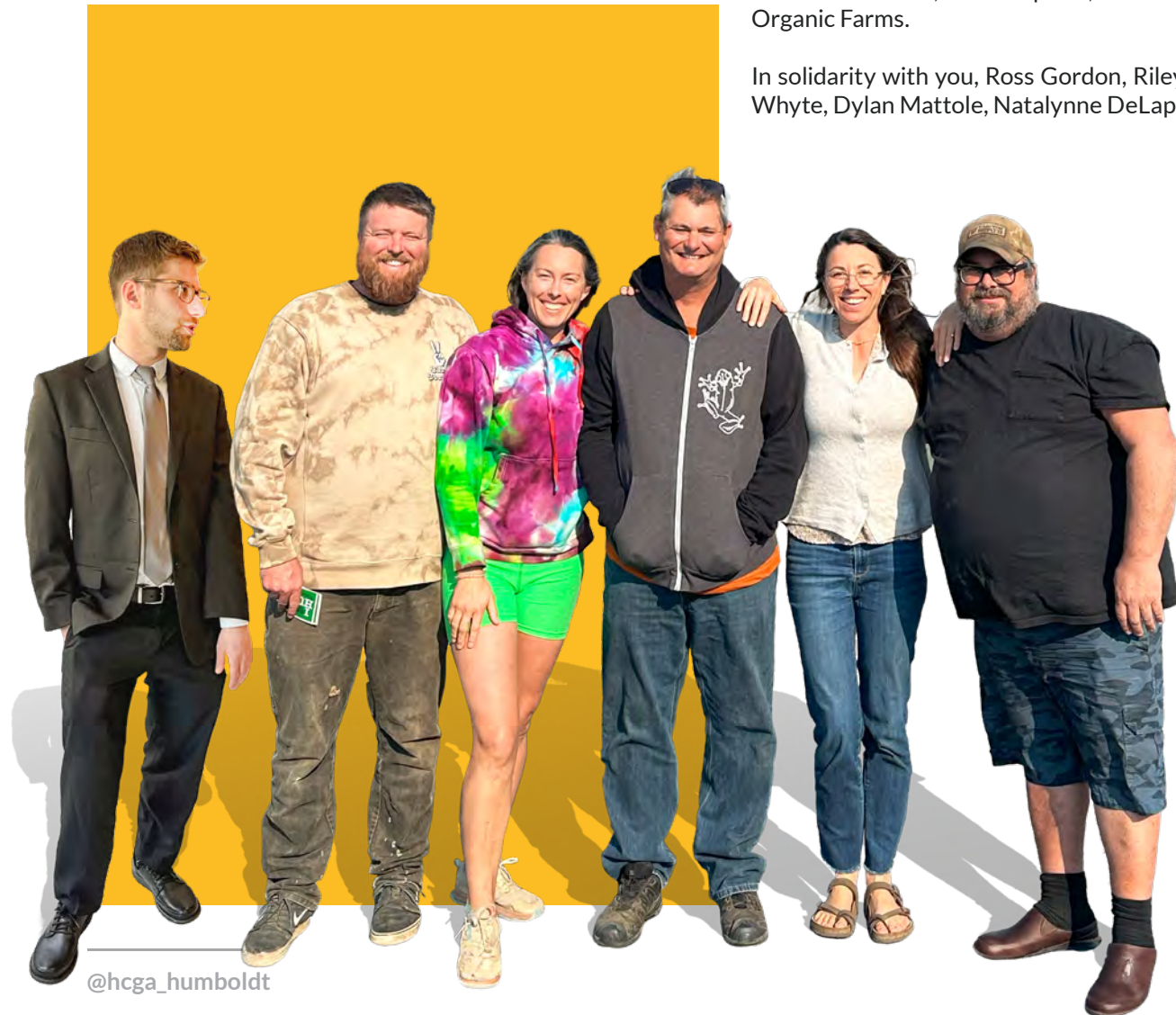


Thank you to the endorsers: Humboldt County Sheriff, William Honsal, District 1 Supervisor Rex Bohn, District 2 Supervisor Michelle Bushnell, District 3 Supervisor Mike Wilson, Frankie Myers (Vice-Chair, Yurok Tribal Council), Wes Chesbro (former 2nd District Assemblymember), Garth Sundberg Sr. (Chair Trinidad Rancheria), Yurok Tribal Council, Fortuna City Council, Arcata City Council, Eureka City Council, Rio Dell City Council, Mark Lovelace (Former District 3 Supervisor), Johanna Rodoni (Former District 2 Supervisor), Virginia Bass (Former District 4 Supervisor), Ryan Sundberg (Former District 5 Supervisor), Paul Gallegos (Former Humboldt County District Attorney), Sarah Schaefer (Arcata City Council), Alex Stillman (Arcata City Council), Meredith Matthews (Mayor, Arcata City Council), Stacy Atkins-Salazar (Arcata City Council), Kyle Conley (Fortuna City Council), Sue Long (Former Fortuna Mayor), Peter LaValle (Former Eureka Mayor), Elizabeth Conner (Former Arcata City Council), Connie Stewart (Former Mayor Arcata City Council), Noah Levy (Humboldt County Planning Commissioner), Thomas Mulder (Humboldt County Planning Commissioner), Scott Davies (Arcata Planning Commissioner), Kim Bergel (Mayor of Eureka), Mario Fernandez (Eureka City Council), Leslie Castellano (Eureka City Council), Kati Moulton (Eureka City Council), Neal Latt (President, Humboldt Bay Municipal Water District), Deborah Garnes (Mayor of Rio Dell), Amanda Carter (Rio Dell City Council), Julie Woodall (Rio Dell City Council), Robert Orr (Rio Dell City Council), Frank Wilson (Rio Dell City Council), Tami Trent (Mayor of Fortuna), Mike Johnson (Fortuna City Council), Kyle Conley (Fortuna City Council), Mike Losey (Fortuna City Council), Kris Mobley (Fortuna City Council), Humboldt County Democratic Central Committee, Humboldt County Republican Party, Humboldt Deputy Sheriffs Organization, AFSCME Local 1684, Humboldt Progressive Democrats, Humboldt Green Party, North Coast People's Alliance, Mattole Grange 569, Willow Creek Cannabis Alliance, Uplift Cannabis Co-Op, Lost Coast Farmers Guild, Mendocino Cannabis Alliance, Trinity County Agriculture Alliance, Origins Council, North Coast Growers Association, Cooperative Agriculture Network, Eureka Chamber of Commerce, Southern Humboldt Chamber of Commerce, McKinleyville Chamber of Commerce, Willow Creek Chamber of Commerce, Humboldt County Visitors Bureau, Southern Humboldt Business & Visitors Bureau.

The list of business endorsers includes Darren Tomasini, CEO of Dazey's Supply; Pat Neighbors, CEO of Vocality Credit Union; Dark Staffing Solutions; ReProp Financial; Sandi DeLuca of Caldwell Banker; Larry Doss of Ming Tree Realty; Margro Advisors; NorthPoint Consulting Services; ETA Humboldt; Paul Hagen of North Coast Environmental Law; Latt Law Group; Rain Zepp Law; Patrik Griego of Janssen Malloy LLP; Kathleen Bryson, Attorney at Law; Kiskanu; Royal Gold Soil; Humboldt Terp Council; Galactic Farms; Liv Emerald; Mattole Valley Sungrown; Emerald Queen Farms; Ice Box Flat Farms; Humboldt Nation; Sway Back Ridge Farms; Lost Creek Farms; One Log House; Whitethorn Valley Farm; Wild River Farms; Moonmade Farms; Honeydew Farms; Clearwater Farms; New Earth Farms; Alpenglow Farms; Empress Farms; Bear Humboldt; Midnight Gardens; Cherry Valley Farms; Hum. Co. Traditions; Northern Emeralds; Palo Verde Farms; Humboldt Exotics; Full Cup Farm

Stand; Lady Bug Sanctuary Farms; Bigfoot Cannabis Co.; Full Moon Farms; Humboldt Redwood Healing; Willow Creekside Farms; Power Flower Farms; Green Ox; Spruce Grove; Skyline Farms; Xotic Flavorz; Terp Mansion; Humboldt Forest Farms; SoHum Royal; Organic Liberty; Lost Coast Mad Man; Source Nursery; Highline Nursery; Patterson Flat Farms; Moon & Stars Farm; Wildwest Herbs; Huckleberry Hill Farms; New Earth Farms; Humboldt Trim Co.; Humboldt Nation; Puffco; Healing Hills Farm; Humboldt Kine Farms; Salmon Creek Farms; North Fork Mattole Farms; Holly Carter of Oaxalis Integrative Services; Baird Engineering & Surveying; Sisu Partners; Hidden Praire Farm; The Original Mom and Pops; Nabis; Weed Maps; Pacific Paradise Dispensary; Front Row Ag (Solstice Ag); Catch A Cloud Farms; Mama Bear Farms; Pavlich Professional Service; Benbow Valley Farms; Southern Humboldt Phoenix; Enchanted Spring Farm; Humboldt Cannabis Tours; Seven Leaves Farm; Gala Events & Weddings; Unity Farms; High Water Farms; Herb and Market; The Fireplace; Erri Hill; and Mattole River Organic Farms.

In solidarity with you, Ross Gordon, Riley Morrison, Hannah Whyte, Dylan Mattole, Natalynne DeLapp, and Pat Andrews.



HCGA + Origins Council = Power House Government Affairs Team!

Since 2022, HCGA has partnered with Origins Council (OC) to advocate on behalf of legacy cannabis producing communities at the state level. OC's government affairs program comprehensively advocates with state-level policymakers in California, including members of the state legislature, the Governor's office, the Department of Cannabis Control, and other state agencies.

The OC Regional Council is comprised of HCGA, the Mendocino Cannabis Alliance, Trinity County Agriculture Alliance, Nevada County Cannabis Alliance, and the Big Sur Farmers Association, and collectively represents nearly 800 member small cannabis businesses statewide. OC's government affairs program is led by OC Executive Director Genine Coleman and OC Policy Chair Ross Gordon, who also serves as HCGA's policy director, and OC also retains Smith Policy Group as a contract lobbyist in Sacramento to ensure that legacy producing communities have our voices represented in the state capitol.

Setting the Policy Agenda: How We Advocate for You in Sacramento

The structure of Proposition 64 creates special challenges for cannabis advocacy in Sacramento. Prop 64 carved out specific policies designed to benefit many of the most influential advocacy groups in California including local government, labor organizations, environmental groups, law enforcement, public health groups, and various sectors of the cannabis supply chain; and these advocacy groups tend to oppose any policy that they perceive as compromising their piece of the pie.

At the same time, Proposition 64 made certain aspects of the cannabis regulatory structure legally impossible to change, while requiring that most other aspects of the proposition could only be changed with a two-thirds vote of both the Assembly and the Senate. As a result, it's much easier for an influential interest group to oppose a proposed legal change than it is to pass meaningful new policies.

Despite these challenges, Origins Council and HCGA have been able to secure significant policy victories through a strategy that involves broad-based coalition-building, grassroots advocacy, and thorough, research-based policy analysis.



The 2022 Campaign to Eliminate the State Cultivation Tax

For years, HCGA has advocated for the end of the state cannabis cultivation tax, which taxed cannabis flower and trim at a flat per-pound rate even as wholesale cannabis prices steeply declined. On June 30, 2022, Governor Newsom responded to these calls by officially signing AB 195, which permanently ended the cannabis cultivation tax in California and provided three years of net tax relief to the cannabis industry as a whole.

The collective advocacy of HCGA, OC, and our community of small farmers was instrumental in California's decision to eliminate the cultivation tax. For years, HCGA members had indicated that the removal of the state cultivation tax was their top priority in internal surveys.

On November 17, 2021, months into a catastrophic collapse in wholesale prices for cannabis, the California Department of Tax and Fee Administration announced an increase of the state cultivation tax from \$154 to \$161 a pound.

Four days later, on November 21, over fifty local farmers responded to Chris Anderson of Redwood Roots' call to action and gathered in the Southern Humboldt Community Park to come together and plan next steps. On January 13, dozens more made the drive to Sacramento to rally with Supernova Women and Origins Council to demand change for small businesses and equity operators on the capitol steps.

On February 15, 2022, Senator Mike McGuire, representing the North Coast, introduced SB 1074 in the state legislature to permanently end the state cultivation tax. Over the next several months, HCGA, in collaboration with our partners in Origins Council and our contract lobbyist in Sacramento, fought to keep the permanent elimination of the cultivation tax at the center of the conversation at the state capitol, testifying in legislative committee hearings and advocating with the Governor's administration for equitable tax reform. On May 13, Governor Newsom responded, with a trailer bill proposal to permanently end the state cultivation tax.

In collaboration with Origins Council, HCGA supported the proposed elimination of the cultivation tax, and also pushed for more, including a more favorable excise tax policy and specific relief for social equity operators. Finally, on June 30, Governor Newsom signed an updated proposal that included each of these requests: the permanent elimination of the cultivation tax, a three year net tax cut for the industry, and specific tax relief and support for equity operators.

CALIFORNIA ENDS CANNABIS CULTIVATION TAX, PARTLY FOR STRANGLING THE LEGAL INDUSTRY



Fallowing, Regulatory Reform, and Standing Up to Prohibitionists

In 2022 and 2023, HCGA and OC secured a number of other significant policy accomplishments, including:



Working with Senator McGuire to pass SB 833, legislation that establishes a statewide fallowing program to allow farmers to temporarily pause cultivation, reduce their cultivation size, or change their license renewal date.



Following the elimination of the state cultivation tax, leading coalition efforts to successfully clarify that cultivation tax was not due on products which had not yet entered the commercial market, and secured CDTFA clarification that cultivation tax held by distributors should be returned to cultivators following the repeal of the cultivation tax.



Organizing a successful grassroots campaign to convince Governor Newsom to veto AB 1207, legislation which if signed would have prohibited cannabis businesses from utilizing images of humans, fruits, or vegetables in cannabis packaging, labeling, or advertising, including on social media. Over 2,000 letters were sent to Governor Newsom requesting a veto on the bill, which the governor issued on October 8, 2023.



Successfully advocating for provisions in SB 1326, legislation that gives the Governor the authority to negotiate interstate commerce compacts with other cannabis-legal states, including: 1) ensuring that interstate agreements are not legally required to adopt a mandatory distribution model, 2) protection for appellations and county of origin within any future interstate agreement, and 3) processes for stakeholder input into future interstate commerce agreements.



Working in coalition to successfully oppose SB 1097, which would have enacted new labeling requirements for rotating warning covering 1/3rd of cannabis product labels.



Successfully advocating with DCC to modify implementation regulations for SB 833 to ensure that farmers whose license renewal date is mid-season are able to receive licensing fee credits after fallowing.



Supporting the passage of SB 622, legislation granting DCC the authority to remove the requirement to individually tag every cannabis plant in METRC. DCC has not yet implemented this policy as of June 2024, but may consider it over the next year.



Establishing a comprehensive DCC regulatory platform, submitting extensive regulatory public comment in April and July of 2022, and securing several regulatory improvements, including collective wet weight tracking and reclassification of light deprivation as “outdoor” cultivation.



Supporting the passage of SB 51, legislation that indefinitely extended provisional licenses for equity-qualified retail operators.



Following the reclassification of light deprivation as outdoor cultivation, successfully advocating with DCC to establish a process to allow light deprivation cultivators who were previously classified as “mixed-light 1” to transfer their license to “outdoor.”



Successfully opposing language in AB 420 that would have allowed hemp to be integrated into the cannabis supply chain without guardrails to prevent synthetic intoxicating hemp from being incorporated into legal cannabis products.



Working with CDFA and DCC to establish inter-agency coordination and advocate for regulatory reforms to the state’s Cannabis Appellations Program prior to the opening of appellation petition applications.

Fighting for Direct to Consumer at Cannabis Events: AB 2691 and AB 1111

In 2022, HCGA, in partnership with Origins Council, worked with Assemblymember Wood from the North Coast to introduce AB 2691, legislation that would have allowed cultivators under one acre in size to sell products directly to consumers at cannabis events. Despite a diverse coalition of support from across California, the bill ultimately stalled on the Assembly floor, largely due to opposition from retailers based in Southern California.

In August of 2023, AB 1111 was classified as a “two year bill” by the Senate Appropriations Committee, meaning that it could not move forward in 2023, but could be brought back in 2024 while retaining its place in the legislative process. As a two-year bill which has already passed the Assembly, AB 1111 is currently about 80% of the way through the legislative process, and will be eligible to be heard in Senate Appropriations Committee in August 2024. If AB 1111 passes through this committee, it will need to earn 27 of 40 votes on the floor of the California Senate, and then receive the Governor’s signature, to become law.

In 2023, Origins Council once again introduced a bill to allow for direct to consumer sales at events, this time working with Assemblymember Pellerin from Santa Cruz and working with a larger coalition that included more support from retailers. This time, the new bill - AB 1111 - was initially able to overcome continued opposition from some Southern California retailers, and passed overwhelmingly through the Assembly by a 74-1 vote.



Forging the National Craft Cannabis Coalition: Advocating for Direct to Consumer Shipping and Regulating Cannabis as Agriculture

In 2022, Origins Council and its regional partners, including HCGA, led the organization of the first-ever nationwide coalition of small cannabis producers by co-founding the National Craft Cannabis Coalition (NCCC). NCCC is structured as a coalition of state-level trade associations that predominantly represent small producers, and includes trade associations in Washington, Vermont, Maine, and New York in addition to California. Collectively, the trade associations partnered with NCCC represent over 1,500 small cannabis businesses.

As its first collective action, NCCC worked with North Coast Rep. Jared Huffman in Congress to introduce the SHIP Act, federal legislation which would guarantee small cultivators and manufacturers access to direct-to-consumer shipping upon federal legalization. The SHIP Act is also cosponsored by Rep. Earl Blumenauer from the Portland area, the founder and co-chair of the Congressional Cannabis Caucus. Upon SHIP's initial introduction, it was endorsed by a number of federal-involved cannabis policy organizations including the Drug Policy Alliance, Marijuana Policy Project, Parabola Center, and National Cannabis Industry Association.

In addition to advocating for direct-to-consumer shipping, NCCC is advocating for the federal government to legally classify cannabis cultivation as agriculture under USDA, and to ensure that any federal legalization bill includes viability and opportunity for small cannabis producers. In 2023 and 2024, NCCC participated in two nationwide Cannabis Regulators Association meetings in Maryland and Minnesota to advocate on behalf of small producers, and also traveled to Oakland for the Blazing the Trail press conference and Washington D.C. in April 2024 to participate in the 4/20 Unity Day of Action for cannabis legalization and advocate on behalf of small cannabis producers on Capitol Hill.

March 28, 2024 - "Blazing the Trail" press conference, a call for federal cannabis decriminalization. Organized by Supernova Women, Drug Policy Alliance, and Last Prisoner Project. "Rescheduling marijuana on the Controlled Substances Act is insufficient, we need to deschedule."



Looking ahead 2024-25

In 2024, HCGA and OC's Government Affairs program are working to advance a range of policy goals at the state and federal level, including:

- Continuing to advocate for AB 1111 to allow small farmers to sell directly to consumers at cannabis events, with the goal to move the bill through Senate Appropriations Committee and pass it in 2024.
- Supporting AB 2555, legislation to extend the state's medical cannabis compassionate use donate program.
- Supporting SB 1059, legislation that would reduce cannabis taxes by requiring that any local cannabis gross receipts tax is assessed on the base value of the product, and not on top of the cannabis excise tax.
- Fighting for amendments to AB 2223, proposed hemp legislation, to ensure that intoxicating hemp cannabinoids and products cannot enter the cannabis supply chain unless and until cannabis and hemp cultivation are regulated at parity.
- Pushing back on proposed CDFW regulations that would enable LSAs to be revoked without due process.
- Advocating with DCC for regulatory changes, including an end to the requirement to tag every plant in METRC, the ability for cultivators to freely sell and share seeds, and reductions in state licensing fees.
- Working with NCCC to engage on federal cannabis policy, including the SHIP Act, proposed rescheduling of cannabis, and proposed federal bills to legalize and regulate cannabis.



"The SHIP act will establish an important direct relationship between consumers and small growers. Like beer from a small brewery or wine from a favorite winery, direct relationship with cannabis farms will be a foundation for a diverse and sustainable cannabis industry. A market where consumers are able to directly support independently owned small farms, locally and across the country, will be a healthier economy as a result."

Micah Sherman, Washington Sun & Craft Growers Association, Washington

2022-23 Policy Committee Members



Hannah Whyte
Emerald Queen Farms



Nikolai Erickson
Full Moon Farms



Sequoyah Hudson
Humboldt Sun Growers Guild



Nathan Whittington
Ladybug Sanctuary Farm and Flore Store



Indicus Riggs
Galactic Farms



Andelain Roy
Dew Point Humboldt
(Outgoing 2024)



Shannon Muennink
Humboldt Renegade Farms
(Outgoing 2024)

Humboldt County Cannabis Farmers Secure 100% Suspension of Measure S, the County’s Cultivation Tax

In a landmark decision in November 2022, the Humboldt County Board of Supervisors voted 3-1 to fully suspend Measure S taxes for two years, marking a significant victory for Humboldt’s cannabis industry. This achievement relieved financial burdens for local farmers for the 2022 and 2023 growing seasons. The successful campaign to suspend Measure S is a testament to the power of organized farmers speaking with a unified voice. As an entitlement tax, Measure S required all cannabis farmers to pay the county a flat rate of \$1, \$2, or \$3 per square foot, depending on the type of cultivation method. This tax was assessed regardless of collapsing market prices for cannabis or extenuating circumstances such as fire or crop failure.

In response to a market collapse in the summer of 2021, during which cannabis prices plummeted below production costs, HCGA spearheaded the effort to mobilize farmers to petition the Board of Supervisors to “Suspend Measure S.” The campaign commenced with a rally at the County courthouse, drawing over 250 attendees. Subsequently, the Board of Supervisors addressed the issue, sparking two lengthy public hearings in February 2022.

During these hearings, over 70 cannabis operators voiced unified support for a full Measure S suspension. However, the Board responded by voting to reduce the cultivation tax by 85% for the 2022 growing season and announced plans to revisit the issue in the fall.

Despite ongoing efforts, market conditions remained stagnant between March and October 2022, with little improvement observed. Undeterred by this challenge, HCGA doubled down on its advocacy efforts. Recognizing the persisting financial strain on cannabis farmers, HCGA intensified its campaign, diligently working to educate and engage with the Board of Supervisors. Central to their message was the urgent need for a 100% suspension of Measure S to provide much-needed relief and support to the struggling farming community. Through targeted outreach and collaborative discussions, HCGA relentlessly emphasized the critical importance of safeguarding local farmers’ livelihoods and ensuring the sustainability of the cannabis industry in Humboldt County.

With the Humboldt County Board of Supervisors’ decision in November 2022 to enact a two-year 100% suspension of Measure S taxes, Humboldt County cannabis farmers achieved a reprieve. This prevented the worst-case scenario and alleviated one of the most pressing threats to their solvency.



Measure S Reduction

By March 2023, the County Tax Collector had implemented a system enabling farmers to make partial payments for Measure S, relieving them from the burden of hefty lump-sum payments. Additionally, this system facilitates the establishment of payment plans for farmers with outstanding Measure S taxes, offering them a pathway to clear back taxes.

In October 2023, the Board of Supervisors voted to reinstate Measure S at a reduced rate of 10%, marking a substantial 90% reduction from the original tax amount, applicable for the 2024 cultivation year. Alongside this decision, the board established a clear timeline for farmers with outstanding cultivation taxes. Farmers must initiate a payment plan with the Treasurer-Tax Collector by March 31, 2024, to avoid the potential suspension of their cultivation permits. Furthermore, they must settle outstanding taxes by March 31, 2025, to prevent further permit suspensions.

The Board of Supervisors is anticipated to reassess Measure S in the fall of 2024. Humboldt’s legal farmers must remain prepared to collectively advocate for tax policies that are pragmatic, transparent, and accountable to the realities of their industry. Once again, they must unite their voices to ensure policies that genuinely serve the interests of the farming community.



Humboldt Cannabis as a Geographic Indication

Since its inception in 2017, the Humboldt County Growers Alliance (HCGA) has dedicated itself to preserving, protecting, and enhancing the world-renowned reputation of Humboldt County cannabis.

Over the past seven years, the alliance has achieved notable successes, including the passage of SB 67: the Cannabis Terroir and Appellation Program in 2020, ensuring County of Origin protections are engrained in state law, and writing the Humboldt Cannabis Marketing Assessment, which developed a blueprint for building an effective marketing strategy for place-based export products. However, the period has also presented challenges, such as the dissolution of Project Trellis' Collective Cannabis Marketing efforts, which were to be funded through Measure S cultivation tax dollars.

HCGA, in collaboration with its 501(c)3 nonprofit arm (HCBDC), submitted three separate proposals between 2019 and 2022 outlining its plans to implement a collective marketing strategy that would benefit Humboldt's cannabis farmers and the broader community. However, much to the organization's and its members' disappointment, the county's program ultimately failed. This setback occurred concurrently with the collapse of the entire cannabis market in the fall of 2021 and the rise of the Humboldt Cannabis Reform Initiative.

Despite the existential challenges posed by a collapsing market and the uncertainty of the Humboldt County Retail Initiative (HCRI) on the horizon, HCGA and its members remained steadfast in their commitment to the long-term goal of developing a collective marketing strategy. However, this time, the strategy would be developed internally and without any financial support from the county.

The first step was establishing an elected and representative body of licensed Humboldt cannabis operators. In 2023, the inaugural Marketing Committee, democratically elected by their peers among HCGA members, marked a significant milestone in this endeavor. The group, comprising six farmers, two manufacturers, two distributors, and two retailers, developed and is working to launch a campaign called "Ask for Humboldt."

Ask For Humboldt Campaign

The "Ask for Humboldt" campaign aims to increase sales of branded Humboldt cannabis products and local dispensary sales. It enhances public relations by showcasing Humboldt's cannabis industry, leverages local culture, and educates consumers and budtenders on the benefits of Humboldt products. The campaign also tests and refines marketing strategies locally to boost brand visibility and access to shelf space in other retail outlets.

In 2022, Ask for Humboldt was launched at the "Westside Live Market," where consumers interacted with local farm brands and purchased products directly from Joe's Pot Shop. Held at the Whitethorn Construction Campus, HCGA collaborated with the Southern Humboldt Business and Visitors Bureau and the Southern Humboldt Chamber of Commerce. That year, HCGA also showcased over seventy Humboldt cannabis brands at the Mateel's Summer Arts Festival, allowing farmers to engage with the public and promote purchases from licensed retailers. Additionally, the Ask for Humboldt booth featured at the Eureka Friday Night Market in 2022 and 2023, where various farmer brands educated attendees, contributing to the normalization of cannabis in Humboldt.



While events such as the Eureka Friday Night Market and the Mateel's Summer Arts Festival provide valuable opportunities for farmers to engage with consumers, they also underscore the significant barriers to direct sales between farmers and consumers. Under current regulations, consumers are restricted to purchasing cannabis exclusively from licensed dispensaries, thereby necessitating a cooperative partnership between retailers and farmer brands. Consequently, farmers find themselves reliant on retailers' discretion, limiting their market autonomy.

These regulatory constraints serve as the primary impetus for collaborative efforts by HCGA, in conjunction with the California Growers Association (2018) and the Origins Council (2023, 2024), to advocate for legislative solutions. The aim is to enact legislation that would permit farmers to sell directly to consumers at DCC-licensed cannabis events, thereby empowering farmers and fostering greater consumer access to locally produced cannabis products. (See 2023/2024 State Policy Priorities for more information about AB1111).



In 2024, the HCGA Marketing Committee is poised to launch the new AskForHumboldt.com website and corresponding social media accounts. The site will feature local cannabis businesses and Canna-Tourism assets, aggregating all available resources in one place. Additionally, the committee plans to showcase at various events, and efforts will be made to encourage Humboldt brands and local retailers to engage in cross-promotional activities to enhance the visibility of Ask for Humboldt in their marketing endeavors.

About Ask for Humboldt

Ask for Humboldt is a dynamic campaign dedicated to celebrating the rich heritage and exceptional quality of Humboldt County's cannabis. Our mission is to elevate local brands and connect consumers with the finest cannabis products that Humboldt has to offer. Through community-driven efforts, we aim to enhance the visibility and reputation of our region's unique, mostly sun-grown cannabis.



2023 & 2024 Marketing Committee Members



Pam Lane
So Hum Royal



Craig Nejedly
Talking Trees, Loud Trees,
Satori Wellness



Shawn Cherry
Cherry Valley Farms



Taylor Lefevre
Bear Humboldt (outgoing 2024)



Martin Monjaraz
Highline Nursery



Colin Adams
Bigfoot Cannabis Company



Galen Doherty
Whitethorn Valley Farm



Chrystal Ortiz
Herb & Market (outgoing 2024)



Andelain Evans-Roy
DewPoint (outgoing 2024)



Sequoyah Hudson
Humboldt Sun Growers Guild



Linsey Jones
Aloha Humboldt (outgoing 2024)



Shanon Talifero
Green Ox (incoming 2024)



Marjorie Ribeiro Marjo Lak
Humboldt Nation & Humboldt Trim
Company

Knowledge is Power, and Education is How We Get There

As a community of businesses, advocates, entrepreneurs, and activists, we believe that education is the foundation of our success. We start by asking critical questions: What is happening? How does it impact our community? What do we need to know to engage effectively? By educating ourselves, we can then educate policymakers and the public, ensuring that our collective voice is informed and powerful.

Every week, HCGA hosts its Industry Affairs Call on Zoom, held on Wednesday mornings. All members are invited to log in and participate, sharing knowledge and information with the group. These calls are a vital platform for staying updated on industry developments, discussing challenges, and strategizing on how to tackle them collectively.

In addition to these calls, we provide our members with a weekly e-newsletter containing important updates, including policy changes, grant opportunities, and other relevant news. This ensures that our members are always informed about the latest developments that could impact their businesses.

Our daily peer-to-peer information sharing via Slack allows members to engage with one another, ask questions, and offer support. This real-time interaction fosters a strong sense of community and collaboration, enabling members to share their experiences and expertise.

Our educational efforts extend to consumers through the “Ask for Humboldt” campaign, which highlights the power of Humboldt’s plant medicine. This campaign is designed to educate consumers about the unique qualities of Humboldt cannabis, encouraging them to seek out and support local products. We also focus on educating visitors and tourists about the unique experiences Humboldt offers, including farm tours that showcase the rich heritage and sustainable practices of our cannabis farmers.

Over the past few years, HCGA has partnered with Cal Poly Humboldt and Sonoma State University to conduct the first North Coast Economic Impact Assessment for cannabis. Funded by a DCC grant to the universities, this forthcoming report will provide a deeper understanding of the current and potential value of the cannabis industry on the North Coast. This collaboration is a testament to our commitment to grounding our advocacy and strategy in solid research and data.

Through these initiatives, we continue to empower our community with knowledge and foster a more informed and engaged public. Our goal is not only to advocate for our members but also to build a well-informed community that understands and supports the importance of Humboldt’s cannabis industry.

By staying committed to education, we ensure that our community is equipped to face challenges, seize opportunities, and thrive in an ever-changing landscape.



2022 Financial Report

Overview

Revenue

Donations	\$7,799.00
Allied Industry Business	\$48,395.00
Membership	\$114,616.00
481 (A) Adjustment Revenue	\$23,122.00
Interest Income	\$11.83

Total Revenue **\$193,943.83**

Expenditures

Bank fees	\$3,234.19
Origins Council	\$22,865.00
Web-Tech	\$4,272.36
Event Costs	\$4,623.87
Income Tax	\$2,500.00
Advertising	\$211.15
Printing & Newsletters	\$2,264.63
Dues & Subscriptions	\$864.07
Health Insurance	\$7,503.88
Workmans Comp	\$709.26
License & Permits	\$5.00
Office Supplies	\$784.08
Rent	\$1,038.00
Cell Phones	\$2,669.21
Travel Expense	\$2,551.78
Payroll	\$117,592.99
Independent Contractors	\$18,935.75

Total Expenditures **\$192,625.22**

Net Operating Revenue **\$1,318.61**

Statement of Financial Position

Current Assets

Cash	\$36,636.70
Other Current Assets	\$49.61

Total Assets **\$36,686.31**

Liabilities

Payroll Liabilities	\$6,380.91
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Total Current Liabilities **\$6,380.91**

Equity

Retained Earnings	\$28,986.70
Net Revenue	\$1,318.61

Total Equity **\$30,305.31**

Total Liabilities & Equity **\$36,686.22**

2023 Financial Report

Overview

Revenue

Donations	\$70,004.15
Allied Industry Business	\$8,555.00
Membership	\$65,005.79
Contract Revenue	\$13,501.58
Interest Income	\$199.16
Unapplied Cash Payment	-\$450.00

Total Revenue **\$156,815.68**

Expenditures

Bank fees	\$1,930.29
Origins Council	\$7,533.74
Web-Tech	\$4,914.45
Event Costs	\$5,530.58
Income Tax	\$2,500.00
Workmans Comp	\$438.33
License & Permits	-\$530.00
Office Supplies	\$1,733.36
Rent	\$1,031.00
Cell Phones	\$1,365.75
Travel Expense	\$2,162.65
Payroll	\$98,894.98
Independent Contractors	\$12,006.84

Total Expenditures **\$139,511.97**

Net Operating Revenue **\$1,318.61**

Statement of Financial Position

Current Assets

Cash	\$55,285.32
Other Current Assets	\$247.00

Total Assets **\$55,532.32**

Liabilities

Payroll Liabilities	\$7,676.21
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Total Current Liabilities **\$7,676.21**

Equity

Retained Earnings	\$30,552.40
Net Revenue	\$17,303.71

Total Equity **\$47,856.11**

Total Liabilities & Equity **\$55,532.32**