

HUMBOLDT COUNTY GROWERS ALLIANCE

March 21, 2022

Dear Humboldt Cannabis Reform Initiative Proponents,

On behalf of Humboldt County Growers Alliance (HCGA), we are writing to regretfully inform you of our strong opposition to the Humboldt Cannabis Reform Initiative (HCRI) submitted to the county election office on March 4.

HCGA is the trade association representing 275 licensed cannabis businesses in Humboldt County. Our membership constitutes a diverse cross-section of Humboldt's licensed cannabis industry, including hundreds of cottage-scale, small, and medium-sized farms, as well as licensed nurseries, distributors, manufacturers, and retailers.

The stated intent of the HCRI is to support small cannabis farms while discouraging environmentally destructive cannabis operations. These principles are also our core values. Over many years of engagement in cannabis policy, however, we have found that well-intentioned policy can often produce counterproductive and even destructive results if these intentions are not informed by robust public input and close attention to detail.

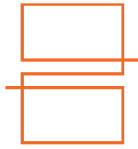
After reviewing the text of the HCRI through this lens, it is clear from our perspective that the policy proposed - whether intentionally or not - would not support either small farms or environmental sustainability in Humboldt County, and in fact would cause significant harm to both.

Our current cannabis regulatory framework is the result of thousands of hours of public input and negotiation at the local and state level from farmers, environmental groups, regulators, state agencies, and the Humboldt community at large.

In attempting to sidestep this public process through a ballot initiative, the HCRI proposes a wide range of problematic provisions that cannot be corrected without pulling the initiative in its entirety. If the initiative were to pass, these provisions could not be amended even by a vote of the Board of Supervisors, and could only be addressed through a subsequent ballot initiative.

A primary stated purpose of the HCRI is to "support small-scale, high-quality cannabis cultivation." In reviewing the initiative, however, we see no policy proposed that would be beneficial for small or cottage-scale cultivators, only new rules and restrictions generally applicable to farms of all sizes.

For example, the initiative would establish a new prohibition on businesses holding multiple permits, preventing farms of any size from obtaining nursery, processing, manufacturing,



HUMBOLDT COUNTY GROWERS ALLIANCE

distribution, or retail permits. In a highly segmented cannabis supply chain which has cut small producers off from access to the market, it is no exaggeration to say the ability to obtain these permits will be indispensable to the long-term viability of small-scale, high-quality cannabis agriculture in Humboldt County.

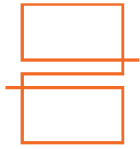
Proposed extensions of the annual forbearance period beyond the state Water Board's scientifically-determined parameters, new inspection requirements which hold farmers' permitting status dependent on county execution, and restrictions on new or expanded structures are among other provisions in the initiative which would put small farmers' permits at risk and prevent them from establishing a viable position in the marketplace. Additionally, by capping the total number of cultivation permits near March 4, 2022 levels, the initiative would also effectively prohibit new small farms from entering the regulated market in the future unless existing farms drop out of the market.

Many particularly concerning provisions can be found in the legal minutiae of the initiative. For example, by defining "new" cannabis cultivation to include any increase in the size of the premises, and "expanded" cultivation to include the installation of any additional structure, CC-P2 would potentially prevent cannabis farmers over 10,000 square feet from making environmental improvements to their premises, such as the installation of additional water storage, the establishment of modernized structures, or changes in the scope of a premises designed to comply with directives from CDFW or other environmental agencies.

As another example, CC-P4(c) would prohibit the County from renewing an annual cannabis permit unless "the County has considered and investigated any and all comments and complaints received from members of the public concerning the commercial cannabis cultivation operation." This provision would enable an individual to submit a complaint to the county regarding a cannabis farm one day before county permit renewal, effectively prohibiting the county from renewing the permit and rendering the farmer's existing cultivation illegal until that complaint is fully investigated.

In total, these and many other provisions in the HCRI would gravely threaten the viability of those farms which have made the decision to enter the legal market and submit themselves to extensive environmental compliance requirements from the county, state and regional Water Boards, the Department of Fish and Wildlife, and the Department of Cannabis Control.

In turn, undermining the viability of these compliant farms will unravel the substantial environmental work which has been accomplished over the past six years, and only push cultivation further into the unlicensed and unregulated market. The likely outcome of the initiative would be to incentivize greater participation in the illicit market, resulting in significant negative environmental impacts.



HUMBOLDT COUNTY GROWERS ALLIANCE

In light of challenging market and regulatory conditions, it is clear to us that what Humboldt's small farmers need now is constructive and collaborative engagement to build the long-term market viability of Humboldt's world-renowned small and independent cannabis farms. A ballot initiative that seeks to overturn seven years of public process will only push us further in the opposite direction at the same time as industrial-scale, forty-acre-plus operations in other California counties strategize to monopolize a global cannabis market.

For these reasons, we encourage initiative proponents to not move forward with gathering signatures for this proposed initiative, and instead engage with the cannabis industry and the Board of Supervisors in a public process to consider modifications to Humboldt's cannabis ordinances that meet the collective needs of the industry, environment, and community.

Thank you for your consideration,

Natalynne DeLapp
Executive Director
Humboldt County Growers Alliance

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Humboldt County Growers Alliance