



June 7, 2022

The Honorable Richard Pan
Senate District 6
State Capitol, Room 4070
Sacramento, CA 95814

**RE: SB 1097 (Pan): Cannabis and cannabis products: labeling and advertisement:
OPPOSE**

Dear Senator Pan,

On behalf of Origins Council, representing nearly 900 licensed small and independent cannabis businesses in six legacy producing counties throughout California, we are writing today in opposition to SB 1097, which would apply new and substantial labeling requirements to cannabis products that far exceed requirements for other consumer products, including highly-regulated consumer products such as alcohol.

Under the current statute established by the MAUCRSA and Proposition 64, legal cannabis operators are subject to substantial requirements and restrictions on testing, packaging, and labeling. These include required government warning labels, Proposition 65 warnings, requirements for child-resistant packaging, requirements for final product testing, restrictions on advertising, and a strictly-controlled system for age-gating.

In expanding these requirements and applying a tobacco control paradigm to cannabis, SB 1097 would contradict California's historical approach in balancing the benefits of cannabis, including substantial medicinal benefits, with potential risks by enacting the testing, packaging, and labeling requirements that currently exist. The medicinal benefits of cannabis have been repeatedly recognized in California legislation and voter initiatives including Proposition 215, SB 420 (Vasconcellos), the MMRSA, Proposition 64, and SB 34 (Wiener).

The findings and declarations for this bill reference a narrow number of American scientific studies related to the potential risks of cannabis use and "a large body of scientific research from tobacco control." Scientific research regarding the benefits and risks of cannabis use in the United States is in a nascent stage, due to the Federal prohibition of cannabis. The World Health Organization Expert Committee on Drug Dependence completed a multi-year Critical Scientific Review of Cannabis in 2018. In January 2019, WHO Director General Dr Tedros Ghebreyesus made a series of [recommendations](#) to the United Nations to update the scope of control of cannabis and cannabis-related substances. These new recommendations reflect the emerging therapeutic role of cannabis-based medicines whilst continuing to prevent diversion, misuse, and other public-health related harms that may arise from cannabis use.

California is a global leader in the regulated production and sales of commercial cannabis products, with the strictest regulatory and product safety testing standards for commercial cannabis production in the world. However, California also has a robust illicit cannabis market which is undermining the regulated industry and endangering consumer health and public safety. It is paramount that consumer health warnings regarding cannabis consumption be based on a robust body of scientific research that considers both the risks and the benefits specific to cannabis use, and the myriad of delivery systems and methods of cannabis consumption, rather than utilizing research findings and resulting FDA regulations for tobacco consumption under the assumption that they are applicable, as this bill does. This approach to policy development of public health warnings for cannabis will have a negative impact on the public's trust in regulated California cannabis products, undermining the regulated industry, and in turn strengthening the illicit industry.

Additionally, while SB 1097 has been framed in opposition to "Big Cannabis," its negative effects will disproportionately fall on small producers who seek to differentiate their small batch products through standards-based certification marks and legal geographical indication designations. The California Department of Food and Agriculture has developed the world's first standards-based appellation of origin program for cannabis in the world, and last year launched the OCal (comparable-to-organic certification). The success and value of these standards-based programs to the State, licensed producers and the consumer hinge upon the associated labeling regulations. Cannabis products are generally small, and legible product labeling space is minimal. This bill proposes that these warnings occupy $\frac{1}{3}$ of the label, which would invariably lead to greater cannabis packaging waste, which is a significant environmental impact consideration for California cannabis at present. Additionally, SB 1097 will add to both

labeling and packaging costs by requiring rotating labels and encouraging additional packaging volume, costs which will be disproportionately difficult for small operators to absorb.

For these reasons, the primary beneficiary of SB 1097 is likely to be the robust illicit cannabis market which does not comply with any state provisions for labeling, testing, or packaging. Attempts to address the public health impacts of cannabis should focus on expanding access for medicinal cannabis patients and supporting the legal market's ability to compete against the illicit market, rather than imposing additional restrictions on an already highly-regulated legal cannabis market.

Thank you for your consideration,



Genine Coleman
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