

Coalition Request for Signature AB-1111

Cannabis: small producer event sales license



LEAFWORKS



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August 31, 2024

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

RE: AB-1111 (Pellerin) Cannabis: small producer event sales license: Request for Signature

Dear Governor Newsom,

The organizations and businesses listed on this letter are writing to request your signature on, AB-1111 (Pellerin), which would enable small licensed cannabis producers to obtain a license to vend a limited amount of their own products annually at state and locally approved cannabis events.

Over two decades, California medical cannabis patients, legacy cannabis farmers, medicine-makers and home growers of medical cannabis developed a robust direct-to-consumer network under state medical cannabis access laws. This network was stewarded by compassion clubs, medical patient collectives and cannabis farmers' market events which afforded producer direct-to-consumer relationships and transactions.

Under the legal commercial cannabis framework, craft legacy producers have largely lost access to these opportunities to connect directly with consumers. Vertical integration is financially out of reach for nearly all independent small urban and rural producers, and CEQA and local land use regulation significantly limits the opportunity to pursue sales directly from the farm.

As a result, legacy producers have been denied access to their well-established and loyal medical cannabis consumer base, as well as the burgeoning recreational consumer base. In turn, consumer and patient access to farm-fresh cannabis and small batch products at retail have substantially diminished since legalization. Analytic labs are now reporting a significant and ongoing decline in the genetic biodiversity within the regulated market. As an annual plant, the loss of California's extraordinary cannabis genetics currently underway will be largely permanent.

Independent small producers typically lack access to marketing resources, such as sales teams and advertising budgets, that are available to larger and better-capitalized businesses. As a

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result, these legacy producers remain under-utilized in contributing to the public and consumer education efforts necessary to support a thriving legalized industry.

AB-1111 would provide a pathway for small producers to re-establish these consumer relationships, and in turn would help build a niche market for craft cannabis produced by California's world-renowned cannabis producers. Establishing a market for craft cannabis will help educate the public at large and drive consumers to these products at licensed retail facilities, building the foundation for the long-term market differentiation of California cannabis.

Additionally, AB-1111 would enable rural areas to utilize producer event sales as one component of larger efforts to promote tourism and destination marketing. Providing a pathway for consumers to interact directly with producers, in the region of origin itself, would enable legacy cannabis producing regions to establish and build a regional reputation, similar to other California producing regions renowned for their craft products, such as the Napa Valley American Viticultural Area.

As independently owned and operated small businesses and allies of legacy farmers, BIPOC and social equity operators, craft producers, consumer and patient rights advocates, and cannabis industry organizations, we are collectively working to ensure that the pioneers who fought for decades to establish the legendary medical cannabis movement of California have an equal opportunity to participate within a viable regulated industry, and to ensure that patients and consumers have safe, affordable access to fresh, high quality craft cannabis products and medicines.

Equitable access to marketing and educational opportunities are an essential lifeline for small producers and vital to consumer education efforts. AB-1111 would provide significant new opportunities for craft operators, and serve as a powerful tool to preserve and enhance California's world-renowned reputation for craft cannabis production within emerging global consumer markets.

Thank you for your consideration,



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Origins Council



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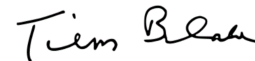
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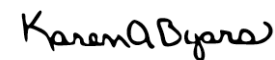
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