



Origins Council is a California nonprofit education, research and policy advocacy organization dedicated to sustainable rural economic development within cannabis producing regions, and establishing nationally and internationally recognized, legally defensible, standards-based, geographic indication systems for cannabis.

OC Regional Council Government Affairs Program 2025 Policy Platform

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1. ORIGINS COUNCIL

Origins Council Mission

Origins Council was founded in 2019 as a California 501c4 nonprofit education, research and policy advocacy organization. Our organization is dedicated to sustainable rural economic development within historic cannabis producing regions, and establishing nationally and internationally recognized, legally defensible, standards-based, geographic indication systems for cannabis.

Origins Council Vision

Our organization’s vision is for historic cannabis producing regions around the world to drive global sustainable development and regenerative agriculture through the regulated production and research of high quality craft cannabis and herbal medicine products.

Critical to this mission and vision are public policies and programs that protect and promote these regions' legacy cannabis farmers and medicine makers including their genetic, cultural, natural and economic resources.

OC Regional Council Government Affairs Program

Origins Council defines legacy cannabis producing regions as those rural areas of California that have established prolific small-scale cannabis cultivation and herbal medicine craft over the past 2 decades or longer, and where locally owned, independent small businesses and homestead farms dominate the regulated cannabis sector. These are the communities that Origins Council represents in our policy advocacy.

Our Government Affairs Program utilizes a representative democracy model, whereby OC partners with membership-based, regional trade associations representing the legacy cannabis producing regions of California to collectively form the OC Regional Council. The OC Regional Council governs the policy initiatives of Origins Council and advises on the development of OC's programs and partnerships.

We are proud to be partnered with: [Trinity County Agriculture Alliance](#); [Humboldt County Growers Alliance](#); [Mendocino Cannabis Alliance](#); [Sonoma County Cannabis Alliance](#); and Central California Cannabis Club. These organizations form the 2025 OC Regional Council.

Collectively these associations represent 400 members. Membership includes licensees from all sectors of the regulated supply chain - predominantly small outdoor, greenhouse and mixed light homestead farmers, as well as ancillary businesses and those legacy homestead cannabis farmers that have not yet had an opportunity to license in their region due to ongoing jurisdictional and/or zoning district bans on licensed activity.

Executive level leadership from our Regional Partner organizations serve as the Regional Chairs on the OC Regional Council, which meets weekly with OC staff and advisors to advance our advocacy in the State and Federal Capitals.

OC Research, Education & Development Program

The OC Research, Education & Development Program (RED Program) has been in development since our organization was founded in the Spring of 2019. It encompasses community education, research and development activities that fall outside of the public policy advocacy scope of the OC Regional Council Government Affairs Program, which was launched in 2020. More information is available here: [2025 OC RED Program](#)

2. A LEGACY IN CRISIS

The legacy cannabis farming communities of California are facing unprecedented cultural, economic and ecological threats.

In the transition between the legacy Proposition 215 market and the adult-use Proposition 64 market in 2015 and 2016, the vast majority of pre-existing small cultivators in California were unable to obtain a local permit or state license due to high barriers to entry into the legal and regulated market. Subsequently, even those farms that have been able to enter the regulated framework have faced severe challenges, resulting in many hundreds of farms dropping out of the regulated market.

In December of 2024, Origins Council surveyed the membership of our five regional partner organizations to help identify the most significant challenges facing the legacy cultivation

community, and to identify potential policy solutions to resolve these challenges. Survey results suggested a significant decrease in market conditions between December 2023 and 2024, with members' average confidence in their success decreasing from 2.63/5 to 2.22/5.

The overall environment for legacy producers continues to be extremely precarious. Many small farmers remain unable to sustain a livelihood under current conditions, and even relatively successful small producers are typically operating on extremely thin margins. Without meaningful changes in market or legal conditions, we anticipate a continued and significant attrition of small cultivators from the legal market in 2025.

Multiple dynamics, discussed below, have converged to result in this expanding and accelerating crisis in rural legacy producing communities.

Oversupply, Collapsing Commodity Prices, and Industry Consolidation

In 2021, the Los Angeles Times [estimated](#) that California grew over 7 million pounds of legal cannabis, compared with an estimated in-state demand of less than two million pounds. Between 2021 and 2022, statewide oversupply dropped the wholesale price for regulated cannabis below the cost of production for most small farmers, driving down quality and threatening the viability of the entire statewide industry.

Plummeting wholesale prices for cannabis - in the absence of market structures for craft differentiation that could decouple small farmers from commodity prices - are at the root of many of the challenges facing the legacy cultivation community. In Origins Council's survey, members overwhelmingly identified statewide overproduction and low wholesale prices as the most significant challenge they face.

State law for legalization promised the legacy small farming communities a 5 year market head start against California large scale commodity production, through capping maximum farm production to an acre or less until 2023 in Proposition 64. The concept was also included as a 4 acre cap per farm in the Medical Cannabis Regulation and Safety Act, which passed into law prior to Proposition 64. The promise was intended to be an opportunity to transition small, homestead medical cannabis farms into licensing, to establish the foundation for a craft cannabis market and to advance sustainable agriculture. Unfortunately, the historic producing communities of California were disenfranchised from the outset of implementing legalization, with the state immediately licensing large farms through sanctioning the stacking of small cultivation licenses.

As of January 2025, California has roughly 2,600 independent licensed farms. The significant majority of these continue to be legacy farms producing under an acre of cannabis, and most of these legacy farms produce under a quarter acre of cannabis. Legacy farm landholdings are being put up for sale at an alarming rate, forewarning of a mass cultural exodus of multi-generational small land holders, opening up these communities to a sea-change of development and hastening consolidation within these local cannabis industries.

Barriers to Entry & Licensing Insecurity

In 2017, California was estimated to have [60,000 small-scale homestead cannabis farms](#) operating legally under the state's medical cannabis laws. In many cases these farms were under continuous production for decades, in some cases generations.

Legacy farmers seeking to become licensed California cannabis businesses faced significant barriers to entry from the onset. Many legacy farming regions in California passed local bans on commercial cannabis activity, immediately shutting the door on licensing pathways for tens of thousands of local heritage farms. In jurisdictions that did provide pathways to licensing, many local zoning districts where farms were located were excluded from the opportunity. The complexity, cost and timelines associated with local permitting and state licensing proved to be too expensive and challenging for many that did qualify locally.

In 2022, California had approximately 2500 licensed legacy farms. As of early 2025, seven years into legalization, 1500 remain in the regulated industry.

There are several factors contributing to this rate of attrition, including market access challenges and statewide overproduction driving the wholesale value of cannabis below production costs and licensing issues.

The majority of the heritage farms in California that transitioned into regulation have faced severe licensing insecurity from the onset due to the extraordinarily complex, protracted and dysfunctional state/local licensing bureaucracy. The state has provided a “provisional licensing program” to support legacy operators transitioning into the regulated framework, so that they could continue operations while working through the complex local and state environmental compliance requirements to achieve a fully entitled state annual license. The Provisional Licensing program was originally slated to end in 2019, and due the volume of businesses that had not yet achieved annual licensing, legislation was enacted in 2019 and again in 2021 to extend the program.

In response to the statewide provisional licensing cliff in 2021, California passed SB 160, which attempts to facilitate transitions to annual licensure through extended timelines and budgetary allocations. SB 160 allocated 100 million dollars in grant funding to local governments to facilitate the processing of local permits, while also establishing benchmarks that prohibit the renewal of a provisional license if local government or operators fail to hit certain milestones for CEQA compliance.

While extended timelines have provided a brief reprieve from annual licensing deadlines, SB 160’s approach has not addressed the crux of the problem in many local jurisdictions: the bulk of responsibility for CEQA compliance continues to require local government to conduct project-by-project, site-specific reviews, which many local governments are either unable or unwilling to perform.

With less than one year until the termination of the State’s “provisional licensing program”, as of March 1st, 2025 13% of active cultivation licenses statewide are “provisional” state licenses. Additionally, many regulating jurisdictions have closed local programs to new applicants due to the burden local permitting is putting upon local agencies.

The emotional and financial cost of licensing cannabis cultivation has surpassed any measure of reasonable or fair for any businesses, least of all for our legacy farming communities, who have been disproportionately impacted by the War on Drugs for the past several decades. Our communities are currently experiencing significant, widespread duress and in some cases trauma due to their experiences in struggling to license and permit their business.

Outstanding Debt and Non-Payment by Distribution and Retail

In November of 2022, several press outlets [reported on](#) an expanding debt crisis in the California supply chain, with reports estimating unpaid debts between legal operators in California at over \$600 million, and outstanding tax debt owed to the state at between \$250 and \$500 million.

While outstanding and unpaid debts affect all segments of the cannabis supply chain, cultivators are typically the last and least likely to be paid. A November 2023 survey of Origins Council members found that 66% of OC members are owed money by other businesses within the cannabis supply chain. Among operators who are owed money, only 16% are confident in their ability to collect all of their outstanding debts, and 46% don't expect to recover any outstanding debt.

Most California cannabis is sold on consignment, and small cultivators often have little legal or financial leverage to recover unpaid debts. As a result, cultivators are challenged by both collapsing wholesale prices, and significant questions as to whether they'll be paid for their product at all.

Segmented Supply Chain and Obstacles to Consumer Access

Small and craft producers of other artisanal products, such as wine, typically rely on some form of direct-to-consumer sales to differentiate their products from large-scale competitors and gain access to sales opportunities. Direct-to-consumer sales are the critical mechanism that enables small-scale producers to decouple from commodity prices and establish a differentiated craft market.

Small cannabis producers, however, currently have no access to direct-to-consumer sales options which are available to other craft producers, including farmers' markets, on-farm sales, and direct-to-consumer shipping. Current state law requires mandatory third party distribution and establishes high barriers to entry for storefront retail, and rural land use zoning requirements make on-farm vertical integration extremely difficult.

This unfortunate regulatory framework has abruptly severed a thriving network of small craft farmers, manufacturers, retailers and medical cannabis patients, forged over two decades of California medical cannabis laws. As a result, innumerable pioneering, grass roots medical cannabis brands, products, herbal medicine formulas and genetic resources have been lost forever.

Many of these resources are being stewarded by the back-to-the-land elders in our community, the founders of California legacy cannabis. This generation will be passing on in great numbers over the next decade, and we fear much of their knowledge, their genetic resources and their place-based values will die with them, given the present circumstances.

Overtaxation

Proposition 64 established a substantial statewide cannabis tax in California, including both a 15% excise tax and a weight-based cultivation tax that was set to increase annually based on

inflation. Since 2018, the regulated cannabis industry has struggled to compete against a substantial illicit market that neither levies these taxes upon customers nor pays these taxes into the regulated system, and which does not bear other costs of regulation such as licensing fees and regulatory compliance costs.

In 2022, California took a step forward to improve its failing cannabis tax policy, eliminating the weight-based state cultivation tax, freezing the excise tax at 15% for three years, moving excise tax collection from distribution to retail, and providing a tax rebate for equity retailers. Collectively, these changes reduce California cannabis taxes by about 5% for the next three years, and help to set California producers up for interstate commerce by eliminating a cultivation tax which is not applicable to producers in other states.

The overall tax burden at the state and local level, however, continues to establish significant challenges for legal operators seeking to compete with the illicit market. In 2025, the state excise tax is slated to increase from 15% to as much as 19% without further legislative action, threatening additional burdens on the legal supply chain.

Retail and Medicinal Access

Legalization vehicles for California cannabis created severe barriers to entry for licensing retail, undermining consumer access and stunting the retail growth of the state siloed industry. There are currently only about 1,600 licensed cannabis retailers to serve a statewide population of nearly 40 million, with annual visitors to California numbering around 200 million on average. As a result of the decline in retail access since the implementation of Proposition 64, access for many medical cannabis patients has also declined dramatically.

Reliability of Lab Testing

In 2024, reporting from the Los Angeles Times and other sources cast significant doubt on the reliability of existing lab testing practices for the presence of pesticides, herbicides, and other contaminants within legal cannabis products. Reports also cast doubt on the labeled potency of legal cannabis products, raising questions about “potency inflation” that have long been a concern for craft cultivators and consumers. Collectively, this reporting has led to significant consumer skepticism about whether the legal cannabis market is truly differentiated from the unregulated legacy market.

Barriers to Entry

Local bans and the extraordinary cost, complexity and dysfunction of cannabis licensing has locked out the majority of legacy homestead farmers from participating in the regulated market since legalization in 2018. In 2017, California was estimated to have over 60,000 homestead farms producing medical cannabis; today, this number is closer to 2,000.

Climate Change

From 2020 through 2022, California’s drought conditions were the most extreme ever seen over the entire 126 year historic record. The multi-year drought threatened water supply, food and cannabis production and electricity generation; drained reservoirs at incredible rates; and

fueled successive years of the most extreme wildfire seasons the legacy cannabis farming regions have ever experienced.

In 2023 and 2024, severe drought conditions have temporarily abated in most of Northern California. However, drought has continued in other parts of the state, including conditions leading to devastating wildfires in Los Angeles in 2025. Changes to the global climate create a strong likelihood that climate-related impacts, including wildfires, will continue to severely impact both legacy production regions and the state as a whole in the years ahead.

Illicit Market

Contrary to the intent and expectation of legalization, barriers to licensing have caused a proliferation of illicit production within rural California, which is a serious threat to public health and safety as well as the environment, particularly during this severe drought.

Enduring illicit production and all of the associated problems entrenches the drug war mentality within local communities. This makes for a very challenging local environment for policy makers, regulated operators and those seeking to open local regulatory pathways for commercial cannabis - most especially legacy farmers.

Limited consumer access to regulated cannabis and extraordinarily high tax rates are driving consumers to the illicit market, undermining the sales and tax revenue of regulated cannabis. California voted to legalize cannabis and consumers and patients have a right to readily access safe, regulated cannabis products.

3. 2025 OC POLICY PLATFORM

Origins Council's policy platform for 2025 prioritizes objectives which have the potential to mitigate the anticipated catastrophic loss of California's licensed cannabis businesses. In particular, we seek to protect the licensed homestead cannabis farms and small cannabis businesses at risk in our regions due to the current hostile regulatory and market conditions. We also seek to create future pathways for lowering barriers to entry for small farms licensing in legacy producing regions.

Our 2025 advocacy will seek to contextualize the hardships facing our membership as a small business crisis, in an effort to frame these issues to State and National policy makers as well as the general public in a way they may more easily relate to, and more readily act upon. The United States will not see meaningful restorative justice for the communities who have been most impacted by the War on Drugs if the regulated cannabis industry is entirely out of reach or unsustainable for modestly resourced, independent small businesses interested in participating, as is currently the case in California.

The communities we represent advanced globally impactful cannabis policy reforms and drove the creation of a multi-billion dollar craft cannabis industry - all under the duress of the War on Drugs. These accomplishments were born from the dual California legacies of the medical cannabis compassion movement and the back-to-the-lander movement. Our 2025 policy platform seeks to honor these historic movements, to preserve and protect these cultural, genetic and environmental resources and to expand consumer and patient access to our legacy producers' world-renowned craft products.

Finally, our 2025 policy platform seeks to further the movement to recognise commercial cannabis as an agricultural crop in state and Federal law and to recognize cannabis growers as farmers, entitled to the same economic opportunities and legal protections provided to all other American farmers.

4. CA LEGISLATIVE AFFAIRS

Direct to Consumer Sales for Small Producers

In 2023, Assemblymember Gail Pellerin introduced AB 1111, legislation sponsored by Origins Council that would allow small cultivators to sell their own products directly to consumers at locally authorized temporary events. AB 1111 was turned into a two-year bill in 2023, and successfully passed both houses of the legislature in 2024 before being vetoed by Governor Newsom in September 2024. Despite the veto of AB 1111, Origins Council remains strongly committed to direct-to-consumer sales opportunities that mutually benefit small producers, patients, and consumers.

Origins Council strongly supports direct-to-consumer sales for small producers.

Overproduction and Large Cultivation Licensing

In 2022, the Los Angeles Times estimated statewide cannabis production at more than 3.5x statewide demand, an imbalance driven largely by a relatively small number of large-scale farms operating within a siloed domestic market. This severe overproduction favors large operators with well-capitalized investors, threatens the survival of small-scale operators, and undermines the integrity of the regulated cannabis framework where legal supply is expected to meet legal demand.

Origins Council supports a moratorium on new, large-scale cultivation licenses until the current imbalance between supply and demand is corrected through interstate commerce or other market changes.

Reduced Taxation and Preventing Tax Increases

State and local cannabis taxation in California, in combination with federal 280E prohibitions and other costs for compliance, is unaffordable for legal operators and encourages consumers to purchase from the unregulated market. While California passed a small net tax cut in 2022, and improved the structure of the state tax by eliminating the cultivation tax and moving excise tax collection to retail, the current excise tax rate of 15% remains too high for legal operators to effectively compete with the illicit market. Additionally, many local governments in California have established substantial taxation on cannabis, often at multiple points in the cannabis supply chain, resulting in even higher taxation.

Without further legislative action, the state excise tax will increase on July 1, 2025 to compensate for the elimination of the cultivation tax in 2022. If this increase is enacted, it will further disadvantage the legal market and drive many legal operators out of business.

Origins Council supports reductions to state and local cannabis taxes, and opposes increases to state taxation.

Hemp and Cannabis

In 2023, AB 420, which would have allowed the integration of hemp into the cannabis supply chain and increased enforcement against non-compliant hemp operations, was held in Senate appropriations committee. Origins Council submitted an “oppose unless amended” position on AB 420, focusing on the risks associated with the incorporation of hemp into the cannabis supply chain.

In 2024, AB 2223 was introduced in the Assembly by Asm. Aguiar-Curry, originally with similar language to AB 420. In late June, however, the Newsom administration offered “technical assistance” on AB 2223 that would have substantially rewritten the bill to fully allow the incorporation of intoxicating hemp into the cannabis supply chain, including high-THC hemp products produced outside of California. Origins Council opposed this proposal, which was ultimately held in Senate appropriations committee.

In 2025, Origins Council anticipates a continued conversation regarding the regulation of the hemp industry and the relationship between the hemp and cannabis industries.

Origins Council supports the regulation of hemp and cannabis cultivation as agriculture, with parity in regulation between crops.

Unless and until the cultivation of hemp and cannabis are regulated at parity, Origins Council opposes policies that enable the incorporation of intoxicating hemp into the cannabis supply chain, or the sale of intoxicating hemp outside the cannabis supply chain.

Licensing and CEQA

Since the passage of Proposition 64, a confluence of factors - including California’s system of local control for cannabis permitting, an expensive and complex licensing process, and an anomalous CEQA workflow for cannabis projects - have resulted in local bans on commercial cannabis activity, significant barriers to entry in jurisdictions that do allow for licensed activity and cyclical legislative interventions to reform the cannabis licensing process in the face of impending statutory deadlines.

CEQA challenges are not limited to cultivation, and have also affected licensees around the state, including retailers in urban areas. CEQA barriers to retail licensure are one factor that has prevented an expansion of retail access throughout the state.

Origins Council supports changes to state licensing that streamline CEQA compliance and expedite the transition to annual licensure for small cultivators, and that address the inability for many local governments to effectively process license applications.

Potential solutions must address the central role that local jurisdictions are required to play in effectuating CEQA compliance under current state policies, and recognize the failure of some local jurisdictions in meeting these standards despite good-faith efforts to comply by operators.

Additionally, Origins Council supports solutions that reduce CEQA related cost and timeline barriers to annual licensure for urban retailers.

Increased Retail Access and Market Expansion

The legal cannabis market in California suffers from a severe lack of retail per capita, with just over 1,600 legal retail licenses serving a population of 40 million. Reasons for this lack of retail include 1) many local jurisdictions maintain a prohibition on cannabis retail, 2) limited retail licensing in some jurisdictions 3) high barriers to entry to open and operate legal retail, even in jurisdictions that theoretically permit retail. In many jurisdictions, equity entrepreneurs face particular barriers to opening retail shops, often due to high barriers to entry.

Origins Council supports efforts to expand legal retail opportunities in California through potential mechanisms including grants, incentives, direct-to-consumer sales, lowered barriers to entry and operation, and other policies.

Ensuring Laboratory Testing Accuracy and Reliability

For the sake of public health and safety, and for the integrity of the legal cannabis market, we believe it is urgent that the state adopt comprehensive reforms to address public concerns and ensure the accuracy of laboratory testing. At the minimum, this should include off-the-shelf testing of cannabis products at retail to verify the laboratory COA, as well as additional measures to prevent laboratory fraud and ensure reliable laboratory testing.

FAIR Plan and Insurance Access

As a consequence of cannabis' schedule 1 federal status, legal cannabis operators are denied access to many programs and benefits enjoyed by other comparable businesses in California. In recent years, as California has been challenged by increased wildfire risk, access to fire insurance has become a particular problem for licensed cannabis farmers.

In 2023, Rep. Reggie Jones Sawyer introduced [AB 741](#), which would have prohibited discrimination against cannabis licensees in access to FAIR Plan fire insurance, commonly referred to as the "insurance of last resort" in California. Unfortunately, AB 741 was held prior to

being heard in its first policy committee, and was not reconsidered in the 2024 legislative session.

Beyond the specific issues facing the cannabis industry, California is facing a systematic crisis of fire insurance availability and affordability which is likely to result in comprehensive legislative conversations on insurance access.

Origins Council supports policies to expand fire insurance access for licensed cannabis operators, including a prohibition on discrimination against cannabis licensees in the provision on FAIR Plan insurance.

Social Equity

The legalization of cannabis in California has catalyzed both the opportunity and the need to research, contextualize and meaningfully address individual and community-wide harms from the War on Drugs. Origins Council believes that this must be a collective priority of the industry and the State if there is to be an equitable regulated commercial cannabis industry in California.

Despite efforts by state and local government to establish policies supportive of social equity, equity efforts continue to face major challenges in both urban and rural contexts. In 2022, new proposed equity definitions from the DCC excluded many rural operators who were impacted by the War on Drugs, highlighting the need for additional education at the state level on how the War on Drugs has impacted rural communities, and additional technical work to determine how equity status can effectively be determined and verified under regulatory criteria.

Origins Council supports working in collaboration with stakeholders in the urban equity community to establish policies that support individuals and communities impacted by the War on Drugs throughout the state.

Origins Council believes that efforts to define social equity on a state level should consider both the disproportionate effects of the War on Drugs that have been rooted in racial discrimination, and those effects of the War on Drugs that have resulted from criminalization of the cannabis plant itself.

Origins Council supports a statewide equity assessment to inform the structure and scope of the state's equity program, including a historical assessment of the impact of the War on Drugs on California communities, and a contemporary assessment of the success of equity programs.

Debt and Credit Law

The California cannabis supply chain currently suffers from hundreds of millions of dollars in outstanding debt between legal operators. While this dynamic affects all operators within the cannabis supply chain, small producers are often last in line to be paid by distributors and retailers.

In December 2022, 85% of Origins Council members reported being owed outstanding debt by their supply chain partners. A year later, in December 2023, this proportion had dropped to 66%. While this is an improvement over 2022, the fundamental underlying issue has not been resolved. In Origins Council's 2023 survey, just 16% of those with outstanding debt were confident they'd be paid in full, and members reported a median outstanding debt of \$40,000.

In 2023, AB 766 was introduced in the California Assembly, which proposed to establish additional legal tools to enforce payment of supply chain debts. As proposed, AB 766 would have required all payments between cannabis licensees to be made within 30 days of sale or transfer, with an additional 15-day grace period, and would have required the DCC to take enforcement action against past-due invoices. However, AB 766 was held early in the legislative process in the Assembly Appropriations Committee.

In 2024, another attempt at credit law legislation was again introduced as AB 2888. However, this legislation was once again held early in the legislative process in Assembly Appropriations Committee, suggesting political hurdles to adopting this policy.

Origins Council conceptually supports efforts to establish greater legal accountability for payment of debts within the supply chain.

Other Legislation

Origins Council expects many additional pieces of legislation to be introduced over the coming months. Origins Council will track all cannabis legislation and engage as needed, to be determined by the OC Regional Council within the considerations of our 2025 Policy Platform and identified priorities, and as organizational resources permit.

5. CA REGULATORY AFFAIRS

DCC Licensing Fee Restructuring

At a December 2024 Cannabis Advisory Committee meeting, the DCC announced their intent to reconsider and state restructure licensing fees in 2025.

In response, Origins Council submitted [public comment](#) making the following recommendations:

- Recommendation #1: Cultivation licensing fees should be dramatically reduced to correspond with dramatic changes in market conditions.
- Recommendation #2: The current inequities in licensing fees between smaller and larger farmers should be corrected.
- Recommendation #3: Smaller farmers should have the same ability as larger farmers to increase their cultivation size incrementally.
- Recommendation #4: Processing and nursery licenses should be tiered based on size as with all other license types.

Origins Council will prioritize engaging DCC on reductions in licensing fees in 2025.

DCC Cultivation Rulemaking Package and OC Regulatory Platform

In September 2024, the DCC shared a discussion draft of proposed cultivation regulations with the Cannabis Advisory Committee that suggested new regulations on topics including sanitation standards, METRC pesticide reporting, and transportation of immature plants. In response, Origins Council submitted [public comment](#) with two primary areas of focus.

First, the comments emphasize that the proposed regulatory package from DCC encompasses a fairly narrow scope, and does not address some of the most significant issues facing cultivators which are outlined in [Origins Council's regulatory platform](#). Given the administrative resources required to promulgate new regulatory packages, the comments request that the DCC take advantage of a potential regulatory promulgation to make more sweeping changes to state cannabis regulations.

Second, the comments also engage with the specifics of the DCC's proposal, supporting certain proposed regulatory changes while expressing concerns on others.

As of January 2025, the DCC has not opened a formal regulatory promulgation period for a cultivation regulatory package, but has indicated that promulgation is likely in 2025.

Origins Council will engage on any DCC-proposed cultivation regulations, including advocating for these regulations to include the policies recommended in OC's regulatory platform.

Implementation of SB 1064 ("Combined License")

In 2024, Governor Newsom signed SB 1064 (Laird) into law, establishing a new "combined license" type that allows cannabis licensees to incorporate multiple commercial cannabis activities under a single license that renews annually. Origins Council supported SB 1064 in the legislature due to the additional flexibility that this new "combined license" would afford licensees.

In November, Origins Council submitted [recommendations](#) to the DCC for implementation of SB 1064, including recommendations related to transitioning existing licenses into a combined license.

Origins Council will continue to engage on SB 1064 implementation consistent with our November 2024 recommendations.

Implementation of SB 622 (METRC Plant Tagging)

In 2023, Governor Newsom signed SB 622 (Allen) into law, granting DCC the authority to remove the requirement to tag each cannabis plant in METRC, and instead adopt some form of batch tagging methodology. Origins Council strongly supported this recommendation consistent with our multi-year advocacy for METRC batch tagging.

Almost a year and a half following the passage of SB 622, however, the DCC has yet to promulgate regulations to change existing rules for plant tagging.

Origins Council will continue to advocate for METRC batch tagging consistent with the passage of SB 622, including for this policy change to be implemented prior to the 2025 planting season.

Water Board Fees

The Water Board is currently engaged in an [assessment](#) of its existing plans and policies, including its cannabis cultivation policy. This assessment will include an opportunity for public comment in Spring 2025. The assessment will not inherently lead to a change in policy, but may inform future Water Board regulatory changes.

Origins Council will track the Water Board assessment process to advocate for a reduction in fees under the Cannabis Cultivation Policy.

CDFA Cannabis Appellations Program

Origins Council is engaged with CDFA's Office of Environmental Farming and Innovation regarding the programmatic development and launch of the Cannabis Appellations Program. We are working to support the integrity and success of the program by advocating that the agency has sufficient expertise in place ahead of the launch of the program to support the scientific review of petitions, as well as advocating that the agency conduct stakeholder outreach and education efforts leading up to the launch of the program.

The first several iterations of the Cannabis Appellation Program regulations proposed by CDFA included regulations related to topics including labeling standards for appellation cannabis, enforcement provisions, and provisions related to the relationship between trademarks and appellation designations. On June 3, 2021, these regulations were struck from CDFA regulation due to impending agency consolidation.

As originally expressed in our comments to CDFA, we have since been advocating to DCC and CDFA to promulgate these regulations using the original wording of the CDFA regulations which were struck on June 3, 2021. These regulations are essential to the integrity and function of the appellation program, and therefore critical to promulgate and adopt prior to program launch.

Origins Council will continue to engage in efforts to establish a robust cannabis appellations program in California, consistent with Origins Council's [advocacy](#) on this topic in 2022.

Interstate Commerce

In 2022, Senator Caballero successfully introduced and passed [SB-1326](#), which would authorize the Governor of California to enter into interstate compact agreements with the Governors of other states that have legalized commercial cannabis (medicinal and/or adult-use) to authorize the sale of commercial cannabis between states. SB 1326 potentially enables interstate commerce to take place even absent federal cannabis legalization.

The implementation of SB 1326 is contingent on several prerequisites, including 1) a statement from the federal government that allows or tolerates interstate cannabis commerce, or a statement from the California Attorney General that the Governor negotiating and entering into an interstate commerce agreement will not result in significant legal risk to the State 2) the identification of a consumer-oriented state with an interest in opening bilateral or multilateral interstate commerce, and 3) the ability to successfully negotiate an interstate commerce pact with another state or state(s) that effectively meets the needs and objectives of all parties.

Origins Council supports efforts to open interstate commerce with consumer-oriented states under the framework established under SB 1326. Consistent with Origins Council's [2022 policy position](#), interstate commerce efforts under SB 1326 should:

- a. include provisions for direct-to-consumer sales for small producers,**
- b. address California's oversupply problems by opening more demand than supply,**
- c. consider regulatory parity and discriminatory regulatory barriers between states,**
- d. include protections for geographical indications, and**
- e. Involve substantial stakeholder input.**

6. CANNABIS GRANTS & STATE FUNDED PROGRAMS

In 2025, Origins Council will build upon our historical engagements with researchers, academics, local and state government agencies and our membership around state-funded cannabis grant programs.

Additionally, we will advocate for legal cannabis businesses to have access to all of California's state funded programs that are applicable to other agriculture, cottage industry and small businesses.

7. FEDERAL POLICY

National Craft Cannabis Coalition

In 2022, Origins Council joined with associations representing small producers in Washington, Oregon, Maine, Vermont, Massachusetts, and New York to collectively establish the [National Craft Cannabis Coalition](#) (NCCC). The purpose and vision of the NCCC is to promote state and federal policies that support small cannabis producers, to support a business ecosystem that supports craft cannabis cultivation, and to support consumer access to a diversity of craft cannabis products. NCCC makes decisions based on a consensus of its organizational membership.

Origins Council will continue to work with our NCCC partners to grow our collective capacity to influence policy at the federal level through policy development, coalition building.

SHIP Act

In September, Rep. Jared Huffman, in collaboration with Origins Council and the NCCC, introduced the [SHIP Act](#) in the House of Representatives, which would guarantee small producers access to interstate direct-to-consumer sales upon federal legalization. The SHIP Act is cosponsored by Rep. Earl Blumenauer (D-OR).

Origins Council will work with NCCC to continue to build legislative and stakeholder support for the SHIP Act, and consider reintroducing an amended SHIP Act in 2025.

Normalization of Cannabis as Agriculture

Origins Council supports the legal designation and regulation of commercial cannabis production as agriculture under USDA, similar to how hemp is currently regulated at the federal level. Origins Council will work with NCCC and other allies to support the legal designation and regulation of commercial cannabis production as agriculture at the federal level.

Federal Small Producer Platform and Craft Cannabis Definition

In collaboration with NCCC, Origins Council will consider working to establish a broader federal policy platform designed to support small and independent cannabis producers. Origins Council will also consider working with NCCC to establish a consensus definition for “craft cannabis.”