

June 12, 2025

Humboldt County Economic Development Division
Re: Public Comment on Draft Comprehensive Economic Development Strategy (CEDS)
2025–2030

To Whom It May Concern,

On behalf of the Humboldt County Growers Alliance (HCGA), thank you for the opportunity to provide public comment on the draft Comprehensive Economic Development Strategy (CEDS) for 2025–2030. We appreciate the County's commitment to inclusive and forward-looking economic development, and we offer the following feedback to ensure that the final CEDS reflects the full scope of Humboldt's economy—past, present, and future.

Recognizing Cannabis: Clarity Beyond "Alternative Agriculture"

We understand that the CEDS uses the term "alternative agriculture" to accommodate federal funding restrictions on naming cannabis directly. However, we urge the County to be as clear and specific as possible in acknowledging that licensed cannabis cultivation and manufacturing are a distinct and significant sector of Humboldt's economy.

Over time, HCGA's long-term goal is to see cannabis treated like any other agricultural crop. But we are not there yet. Cannabis is still not treated like "just ag." Licensed operators face a regulatory framework that is far more burdensome than any other form of agriculture, with separate zoning, licensing, taxation, and enforcement regimes—all under federal prohibition and in the context of a rapidly collapsing market.

Until true regulatory parity is achieved, we cannot afford to treat cannabis as a footnote or euphemism. This is not an "emerging" sector—it is a foundational one. Cannabis built Humboldt's rural economy, and with proper support, it can be a pillar of rural revitalization once again.

The CEDS relies heavily on federal data sources (e.g., NAICS, BEA, BLS) that exclude or undercount cannabis. Without integrating local data, the CEDS risks presenting an inaccurate picture of Humboldt's economic landscape and missing opportunities for targeted support.

We urge the County to supplement federal data with locally grounded sources, including:

- Humboldt County Crop Reports cannabis exceeded all other commodities combined in 2021, with an estimated value of \$278 million, compared to \$251 million for all other commodities combined.
- Economic Impact of Cannabis Study (Cal Poly Humboldt / SSU / DCC, 2023) –
 Humboldt's regional cannabis supply chain supported over 6,000 jobs and \$263 million in labor income.
- Project Trellis reporting local grant and equity investment data.
- State excise tax and license data from CDTFA and DCC.

Grounding the CEDS in local economic truth is essential to building policy that is honest, equitable, and effective.

Missed Opportunity: Cannabis in Buy Local and Tourism Strategies

The CEDS includes thoughtful goals related to tourism, collective branding, and "Buy Local" campaigns—but omits cannabis from these discussions. This is a missed opportunity to align with existing regional efforts, such as:

- Ask for Humboldt a local branding and market development campaign run by HCGA.
- **Cannabis tourism development** a natural complement to Humboldt's broader regenerative and agricultural tourism goals.
- State-level branding and regional economic identity where cannabis should be included as both a historic and future-facing component.

We recommend the final CEDS explicitly include cannabis in:

- Regional procurement and branding strategies
- Tourism development and promotion plans

- Business support and grant eligibility
- Sector-specific workforce and permitting streamlining efforts

Rebuilding from Collapse: A Rural Recovery Strategy

The CEDS references the need to support industries facing disruption—but fails to mention the economic collapse of Humboldt's licensed cannabis sector.

Since 2021, we have seen:

- Hundreds of cannabis farms shut down
- A surge in property foreclosures in cultivation zones
- Declines in employment, supplier business, and consumer spending
- Drops in local tax revenue from cannabis

This is not just a market correction—it is a rural economic crisis. While compliance has always been important, the weight of Measure S, market saturation, and inadequate state enforcement have pushed many small farms to the brink.

To address this, we urge the County to incorporate cannabis into its economic recovery priorities, including:

- Transitional support for farms in crisis
- Regulatory reform and cost reduction
- Access to economic development and equity grants
- Support for diversification and value-added opportunities

Cannabis Is Not the Past—It's the Path Forward

Since 2017, cannabis farmers in Humboldt have paid over \$55 million into the County's general fund through Measure S. Beyond revenue, this sector has supported families, funded environmental restoration, and kept rural communities afloat.

But cannabis is not plutonium. It's a plant. And it's time we stop penalizing it.

If Humboldt wants legal cannabis to survive, we must normalize—not stigmatize—this industry. That means acknowledging its role, supporting its future, and ensuring it has a seat at the table in every economic development conversation.

Thank you for your consideration and for your work on behalf of our community.

Sincerely,
Natalynne DeLapp
Executive Director
Humboldt County Growers Alliance (HCGA)