

Katherine Douglas

Public Comment

From: Sam Rodriguez <sam@goodfarmersgreatneighbors.com>
Sent: Monday, January 13, 2025 9:41 AM
To: sbcob; Lia Graham
Cc: Brittany Odermann; Carmela Beck; Sam Rodriguez
Subject: Good Farmers Great Neighbors Letter to the Board of Supervisors RE: BOS Mtg on 1/14/2025
Attachments: GFGN - Letter to Clerk of the Board - SB Board of Supervisors.pdf

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Attention Clerk of the Board

Please accept our letter to the board of supervisors for the upcoming meeting on 1/14/2015 outlining the state of cannabis and underscoring vital issues affecting the industry.

Thank you in advance

Sam

--
Sam Rodriguez

Policy Director

916-849-4300 cell

<https://goodfarmersgreatneighbors.com/>

<https://www.linkedin.com/in/sam-rodriguez-20065035/>



Attention: Clerk of the Board

TO: Santa Barbara Board of Supervisors
Britany Odermann, Deputy CEO

FR: Sam Rodriguez, Policy Director
sam@goodfarmersgreatneighbors.com

RE: Board of Supervisors Meeting, 1/14/2025 - Cannabis Issues

Good Farmers Great Neighbors is an alliance of primarily outdoor, sungrown cannabis farmers, greenhouses and auxiliary businesses throughout the central coast that advocates for a supportive legal and regulated market. Our network of *'best in class'* expertise unites cannabis farmers in the region who are committed to exceeding the required environmental and public health standards and spurring economic growth and community development.

As we begin the new legislative year, our trade association is committed to support, advocate for policies and legislative proposals that continue to strengthen the legal, regulated cannabis industry. To this end, we are providing a brief snapshot of the **'State of Cannabis in California'** and state legislative initiatives advancing the industry's economic growth and job creation engine as well combating the unlicensed, illicit market fueled by organized crime.

Although we have consistently supported local and state legislation to provide additional funds for law enforcement efforts to combat the illicit market, there is now a growing concern of an overreach with some activities that are causing real concerns in the farming working community, especially among farm workers.

With the incoming Trump Administration threats to California with immigration raids and the like, we are concerned about the economic security of all farm workers in Santa Barbara County.

State registered **Farm Labor Contractors** have also expressed their concerns about their workforce being interrogated by local officials asking for social security numbers, legal status identification and other questions while working on a state licensed cannabis farm or business. These concerns were expressed and discussed during the most recent '**Special Legislative Session**' by stakeholders with the Governor, Attorney General and State Legislative Leaders.

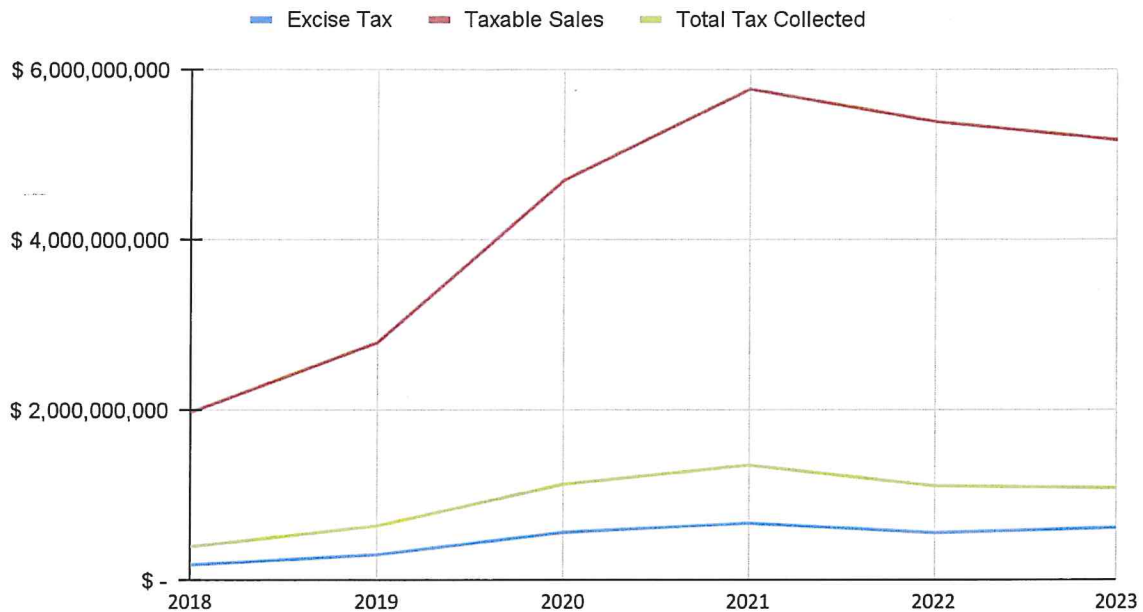
Equally important, the Governor, State Legislative Leaders, including the California Department of Cannabis Control are now taking a more comprehensive review of the range of taxes, fees and regulatory burdens placed on the legal, regulated cannabis industry. There is a significant interest to provide some **tax relief as well regulatory reform** to provide parity with other licensed state businesses.

This past year, rural counties with a significant cannabis cultivation market have taken legislative action to reduce and eliminate taxes and fees in order to sustain the agricultural supply-chain, employment and show demonstrative support for local cannabis farming.

With the most recent studies on alcohol consumption showing significant health impairment, the cannabis industry is drawing more and more consumers from every age category - including and surprisingly so from consumers aged 55 or above. Market trends are already demonstrating that consumers are requesting a more organic, healthy and sustainable choice, even within the cannabis industry. **Santa Barbara County** has been leading the country in producing the best cannabis using organic and sustainable farming materials, technology and strategies. The opportunity to explore and expand an ecotourism strategy to attract world-wide travelers to Santa Barbara to purchase locally grown cannabis could become an economic boom and consequently support issues such as **food insecurity, health access and youth programs**.

Please don't hesitate to contact me for additional information at sam@goodfarmersgreatneighbors.com or 916-849-4300.

Cannabis Excise Tax and Total Taxable Sales



California's legal cannabis industry faces compounding challenges:

- High consumer tax burden driving illicit market activity
- Competition from intoxicating hemp products.
- Limited retail access due to local bans.

California's recreational cannabis market has been in a state of continued decline since going into effect in 2018. Sales data collected by the Department of Cannabis Control shows that marijuana yearly sales peaked in 2021 at \$5.35 billion and fell to \$4.89 billion in 2023, about an 8.6% drop which is currently on track to further decline for 2024. Flower sales, which make up the most popular forms of sold marijuana, have also dropped from their monthly peak of \$214.8 million in April of 2021 to \$119.75 million as of September 2024, a decrease of 44.25%. Sales of other forms of marijuana do not recuperate the drop in flower sales as vape, pre-roll, edible, and extract/concentrates have either similarly declined in sales or have remained stagnant.

The illicit market in comparison has been thriving within California. During 2021 and 2022 the Department of Cannabis Control either assisted or led legal operations which resulted in the seizure of over **\$1.3 billion worth of illicit marijuana based on retail value**.

The Unified Cannabis Enforcement Task Force seized an additional **\$312 million** worth of illicit marijuana in 2023, its first year of complete operation. Despite these efforts the illegal market remains largely unfazed with **illicit sales at an estimated \$8 billion** in 2022 and more recent reports estimating that 2 out of 3 marijuana sales in California are done outside the legal market.

While California still has the largest legal marijuana market in the country, it's beginning to be outpaced by other states. Michigan for example has recently begun to overtake California in sales, selling 22 million units in March of 2024 compared to 21.3 million units in California.

I. Advance A Fair and Sustainable Tax Framework and Regulatory Collaboration for California's Legal Cannabis Industry

In 2023/24, several crucial pieces of cannabis legislation were enacted in California, aiming to address various aspects of the industry and improve regulatory processes. These efforts are essential to advancing the goals outlined in Proposition 64 and fostering a safe and equitable cannabis market in the state.

1. **SB 540 (Laird): Cannabis Consumer Education.** SB 540 (Laird), a bill co-sponsored by CCIA, underscores our commitment to consumer and patient safety within the cannabis industry. Ensure the successful execution of this legislation. SB 540 (Laird) reevaluates California's cannabis product labeling requirements based on evolving scientific insights. By aligning labeling regulations with the latest knowledge, we aim to enhance safety and awareness among consumers and patients.
2. **SB 622 (Allen): Cannabis Plant Tagging.** Work with the DCC to facilitate the effective implementation of SB 622. This legislation eliminates an unnecessary and redundant requirement, which previously mandated licensed cannabis cultivators to affix a single-use plastic tag to each individual cannabis plant. By streamlining plant identification processes, we seek to reduce administrative burdens while maintaining robust regulatory oversight.

3. **Biomass Recycling & Reuse.** Support legislation that exempts green cannabis waste from being classified as hazardous waste, and allows for green cannabis waste to be composted.
4. **Cannabis as an Agricultural Crop.** Advocate for cannabis cultivation to be considered an agricultural crop produced for human consumption and regulated in the California Food and Agricultural Code rather than the Business and Professions Code.

5. Cannabis Appellations Program

- a. Support efforts to advance comprehensive labeling requirements for all cannabis geographical indications, including county of origin, city of origin, city and county of origin, and appellation of origin designations.
6. **Cannabis Products for Pets.** Support the implementation of [AB 1885](#) (Kalra, 2022) to expressly permit the manufacture and sale of cannabis products designed for pets. AB 1885 requires the DCC to promulgate regulations for animal product standards no later than July 1, 2025.
 7. **Direct to Consumer Sales.** Support legislation to permit small cultivators, processors, and manufacturers to engage in direct to consumer sales, including but not limited to direct to consumer sales through on-farm sales, farmers' markets, and direct to consumer delivery operations.
 8. **Regulatory Burdens & Mandates.** Oppose policies that impose new regulatory burdens or mandates on the cannabis industry or treat cannabis applicants and businesses differently than other industries licensed by the state.