

Hello Members Cannabis Advisory Committee,

I am sharing this Mendocino Cannabis Alliance document with you to make certain you are informed about this crisis currently affecting cultivators in Mendocino county.

As a cultivator in Humboldt I am concerned with the well-being of the greater small farming community in Northern California.

It is important that this issue is addressed with urgency, if these small and mostly family cultivation operators in Mendocino are to survive.

I urge you to please take the time to read this letter written by Mendocino Cannabis Alliance and consider the relationship to the CAC Cultivation Sub-Committee.

MCA's full sixteen-page letter can be read here:

**[https://bit.ly/MCA-Urgent Intervention Request](https://bit.ly/MCA-Urgent%20Intervention%20Request)**

Below is a summary of the letter's contents.

Respectfully,

Riley Morrison

(February 8, 2023) Mendocino County, CA – Mendocino Cannabis Alliance (MCA), the trade association representing cannabis operators in Mendocino County, submitted a sixteen-page letter today to Governor Gavin Newsom, Department of Cannabis Control Director Nicole Elliott, and California legislative leaders documenting the county's failure to establish a process capable of moving small and legacy cannabis cultivators towards state annual licensure.

Nearly six years into its local permitting process, Mendocino County has transitioned just six local cannabis farmers to state annual licensure: less than 1% of all cultivators in the county. For comparison, 62% of cultivators in Humboldt County, 58% of cultivators in Nevada County, and 23% of cultivators in Trinity County have obtained a state annual license.

With state deadlines for permit processing approaching on July 1, 2023, MCA's letter documents how nearly all small cannabis cultivators in Mendocino are now at imminent risk of losing their state licenses, threatening to undermine the promise of Proposition 64 to provide a just transition for legacy operators.

The letter documents how nearly six years after passing an ordinance to regulate cannabis cultivation, the Mendocino Cannabis Department (MCD) has not meaningfully moved forward to process local cannabis permits, cannabis permit renewals, or documents necessary for CEQA compliance.

Recent reports from MCD suggest a plan to transition just 256 “prioritized” operators to annual licensure, implying that nearly 70% of Mendocino’s 841 current operators have no path forward to remain in the legal market. Simultaneously, however, statements by MCD indicate that expected staffing resources are just half of what MCD claims would be necessary to process these 256 applications in time to meet state deadlines. Further, among over 500 “deprioritized” operators, MCA has found that a substantial number have been deprioritized incorrectly based on demonstrably false claims of tax delinquency or lack of state licensure.

While the state allocated over \$17 million in grant funding to assist Mendocino’s local government with permit processing in 2021, MCA’s letter documents a lack of public accounting on how these funds have been spent, inconsistencies regarding the county’s proposed work plan in its grant application, and delays in opening an application process for over \$10 million in funds set aside for direct grants to cultivators.

The letter further demonstrates how, rather than working to establish a viable permitting process, MCD and the Board of Supervisors have repeatedly focused time and energy on topics that raise additional barriers to compliance, including raising contrived legal objections to the county’s own cannabis equity program, and threatening operators with denial on “vegetation modification” grounds without due process.

“For years, MCA has been sounding the alarm on the unfolding crisis within the county’s cannabis program” said Michael Katz, MCA’s Executive Director.

“Throughout 2022, we worked in good faith with the Board of Supervisors’ cannabis ad hoc committee to develop policy recommendations to course correct the program, only to have most of them rejected by the full board.”

“We are out of time,” Katz continued. “The bottom line is that there is no functional permit program in Mendocino, and no plan to create one. We cannot move forward if the county continues to obstruct local licensees. We need the state to intervene, and intervene now, if our legacy cultivators are to survive.”

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*About MCA: MCA serves and promotes Mendocino County's world-renowned cannabis cultivators and businesses through sustainable economic development, education and public policy initiatives. Learn more at [MendoCannabis.com](http://MendoCannabis.com).*

For more information contact Michael Katz at **[michael@mendocannabis.com](mailto:michael@mendocannabis.com)** or via phone at 707.234.5568