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**origins council comments on 8/28 CAC agenda**


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**Date** Wed 8/27/2025 11:52 PM

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 1 attachment (2 MB)

OC Comments on CAC Agenda 8.28.25.pdf;

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On behalf of Origins Council, please see our attached comments on tomorrow's agenda.

Thank you,



## **Public Comment on August 28, 2025 Cannabis Advisory Committee Agenda**

Date: August 27, 2025

On behalf of Origins Council, we appreciate the opportunity to comment on the August 28, 2025 agenda for the Cannabis Advisory Committee.

Because agenda materials for agenda items #4 and #5 were made available shortly before the meeting, we have not had a chance to fully review all of the proposed materials, and look forward to providing additional feedback once we've had a chance to review in more detail.

### **Comments on Agenda Item #4: Multi-Batch Products**

We support allowing the retail sale of cannabis goods that include multiple products packaged together, as proposed in the agenda. Variety packs have the potential to provide unique opportunities for craft producers by allowing a curated diversity of cultivars or product types to be sold collectively.

We are still reviewing the details of the proposed draft regulations and look forward to submitting more extensive comment following Thursday's meeting. We have initial questions, however, regarding the following section of the proposed regulations:

§17303.2. Additional Requirements for Multi-batch Cannabis Goods.

- (a) A multi-batch cannabis good may not contain more than three separate batches in a single final form package.
- (b) Each batch within a multi-batch cannabis good must have the same product identity.

We're unclear on the meaning of "same product identity." If the intent of this provision is to limit multi-batch products only to products with the same cultivar/form factor (e.g., only pre-rolls, and possibly only pre-rolls of a certain cultivar), then we're concerned that many of the potential benefits of this allowance in promoting product diversity would be lost. Additionally, expanding allowable batches beyond three would provide significantly more opportunity to showcase a diversity of products.

### **Comments on Agenda Item #5: SB 1064 Implementation**

We strongly supported the passage of SB 1064 (Laird) in 2024 and appreciate the discussion on its implementation. We're hopeful that, with effective implementation, SB 1064 has the potential to provide significant benefit for small producers and the supply chain as a whole.

In November, we submitted comments<sup>1</sup> regarding the implementation of SB 1064, which included the following requests:

- Streamline the ability for existing licensees to transition multiple licenses into a combined license, including a) providing an option to choose the renewal date and license number for the combined license, b) pro-rating licensing fees, and c) providing a streamlined pathway to add additional activities to an existing license.
- Do not limit the activities that can be combined under a combined license, except for legally restricted combinations (e.g. Type 5 and testing laboratory limitations).
- Do not require a transportation license to move products between different activities under a single combined license.
- Allow a combined license to operate under a single METRC account.
- Consider reducing licensing fees to account for decreased administrative costs under a combined license.

We continue to support these priorities in implementation.

Additionally, the agenda materials include several discussion questions from DCC regarding SB 1064 implementation. We discuss these in turn below.

- *Are there any additional activities that should be included, or any listed activities that should be removed?*

We do not currently see a need to include additional activities or remove currently listed activities.

We strongly support the creation of an event-only retail license, as referenced in the agenda materials, and look forward to more detailed discussions on the parameters of this potential license type.

- *Are there any activity combinations that should be prohibited?*

As discussed in our November 2024 letter, we see no reason to limit activity combinations aside from combinations (e.g. Type 5 licenses holding distribution, testing laboratories holding other licenses) that are legally restricted.

- *Should CALs be limited in the total number of activities they conduct?*

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<sup>1</sup> <https://drive.google.com/file/d/1ErWDApkF2UY82zOWImpX62Uw-IDMMXk7/view?usp=sharing>

We do not currently see a reason for a limitation along these lines.

- *If a CAL includes cultivation, how should canopy size be defined (e.g., mirror existing license sizes, create new size tiers, by square footage)?*

We encourage the DCC to take the opportunity provided by SB 1064 to create more flexibility and fairness around the assessment of cultivation licensing fees.

In public comment submitted in December, we discussed several inequities in the current assessment of cultivation licensing fees.<sup>2</sup> SB 1064 provides an opportunity to address three of these points of inequity:

- Many cultivators currently pay excess licensing fees for unused square footage because the current licensing structure only allows licensing in specified increments (e.g., paying for a 10,000 square foot “small” cultivation license while only having 8,000 square feet locally permitted and actually under cultivation).
- Larger Type 5 cultivators have the opportunity to add to their cultivation size in 2,000 square foot increments, while smaller cultivators do not.
- Larger cultivators currently pay \$0.32 per square foot in licensing fees, while smaller cultivators pay \$0.48 per square foot or more.

In our December letter, we discussed the potential for the DCC to allow cultivators of any size to license their square footage in 2,000 square foot increments with a set cost for each increment, which would resolve all three of these issues. Alternatively, DCC could simply set a specific licensing cost per square foot, in which case 2,000 square foot increments would not be necessary.

If DCC intends to re-open cultivation licensing fee questions in parallel with SB 1064 implementation, we also strongly support 1) reassessing and reducing cultivation licensing fees in light of collapsing wholesale prices, and 2) tiering licensing fees for processing and nursery licenses based on size. Both of these issues are discussed in more detail in our December letter.

- *Should there be premises-related or other requirements specific to a CAL?*

In conjunction with SB 1064 implementation, we strongly encourage the DCC to address practical barriers that prevent small cultivators from licensing additional activities on-farm. While the administrative streamlining offered by SB 1064 is very helpful, it is likely to have limited impact if other barriers to licensure are not addressed. We recommend addressing the following barriers in conjunction with SB 1064 implementation:

- **Waive excessive insurance requirements for self-distribution licenses** - §15308 of DCC regulation currently requires all distributor licensees, regardless of type or size, to

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<sup>2</sup> <https://drive.google.com/file/d/1GYaGXhYDwwa-hXjfQLEFALEbSotASCW5/view?usp=sharing>

carry at least \$2,000,000 in general liability insurance. The expense of these requirements (as much as \$5,000 annually) have led many cultivators to either not apply for self-distribution licenses, or surrender the license in order to save on insurance costs. Waiving insurance requirements for self-distribution licensees, who are definitionally limited to carrying their own product - typically in very small quantities - would significantly increase the accessibility of this license.

- **Waive 24/7 video surveillance and alarm system requirements for additional activities located on the same site as an outdoor cultivation license** - recognizing the rural nature of outdoor cultivation, licensed cultivators are currently not required to adopt 24/7 surveillance and alarm system requirements applicable to other license types. As soon as cultivators seek to expand into manufacturing, distribution, or retail on their premises, however, these requirements become applicable.

DCC has recognized the impracticality of surveillance requirements on rural parcels in a previous ISOR, which stated: *“The Department has determined that requiring the same level of video surveillance for cultivation locations that may be very large, outdoors, and located in rural areas where it may be difficult to access internet or electricity, would be unreasonably onerous and in some cases not possible.”* We recommend extending this finding to other activities on rural parcels by exempting manufacturing, distribution, or retail activities located on the same site as an outdoor or mixed-light 1 cultivation license from the video surveillance, lock, and alarm requirements in §15044, §15046, and §15047.

- **Tier licensing fees for nursery and processing activities based on size** - as referenced above, nursery and processing licenses are currently the only licensed activities where fees are not tiered based on size. These licensing fees are often out of reach for small producers contemplating small-scale nursery or processing activities. Tiering these fees based on size would substantially increase their accessibility for small operators.

Thank you for your consideration, and we look forward to continuing the conversation on these issues.

Sincerely,



Genine Coleman  
Executive Director  
Origins Council



Hannah Whyte  
President  
Humboldt County Growers Alliance



Oliver Bates  
Co-Founder  
Central California Cannabis Club



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