California Department of Food & Agriculture’s Cannabis Cultivation Program

California State Association of Counties
Agriculture, Environment and Natural Resources Policy Committee
Amber Morris, Branch Chief
November 29, 2016
License Cultivators

Protect Human Health & Environment

Track and Trace
<table>
<thead>
<tr>
<th>Category</th>
<th>Outdoor</th>
<th>Indoor</th>
<th>Mixed-light</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specialty Cottage</strong></td>
<td><strong>Type 1C</strong>&lt;br&gt;Up to 25 mature plants</td>
<td><strong>Type 1C</strong>&lt;br&gt;Up to 500 sq ft</td>
<td><strong>Type 1C</strong>&lt;br&gt;Up to 2,500 sq ft</td>
</tr>
<tr>
<td><strong>Specialty Cultivator</strong></td>
<td><strong>Type 1</strong>&lt;br&gt;Up to 5,000 sq ft, or up to 50 mature plants</td>
<td><strong>Type 1a</strong>&lt;br&gt;Up to 5,000 sq ft</td>
<td><strong>Type 1b</strong>&lt;br&gt;Up to 5,000 sq ft</td>
</tr>
<tr>
<td><strong>Small Cultivator</strong></td>
<td><strong>Type 2</strong>&lt;br&gt;5,001-10,000 sq ft</td>
<td><strong>Type 2a</strong>&lt;br&gt;5,001-10,000 sq ft</td>
<td><strong>Type 2b</strong>&lt;br&gt;5,001-10,000 sq ft</td>
</tr>
<tr>
<td><strong>Medium Cultivator</strong></td>
<td><strong>Type 3</strong>&lt;br&gt;10,001 sq ft - 1 acre</td>
<td><strong>Type 3a</strong>&lt;br&gt;10,001-22,000 sq ft</td>
<td><strong>Type 3b</strong>&lt;br&gt;10,001-22,000 sq ft</td>
</tr>
<tr>
<td><strong>Nursery</strong></td>
<td><strong>Type 4 (size not limited by statute)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Large Cultivator</strong></td>
<td><strong>Type 5</strong>&lt;br&gt;Greater than 1 acre</td>
<td><strong>Type 5a</strong>&lt;br&gt;Greater than 22,000 sq ft</td>
<td><strong>Type 5b</strong>&lt;br&gt;Greater than 22,000 sq ft</td>
</tr>
</tbody>
</table>
Develop Regulations

Regulation Outline
• Definitions
• Application
• Licensing
• Cultivator Requirements
• Track and Trace
• Inspection
• Enforcement
Programmatic Environmental Impact Report (PEIR)

Potential environmental issues to be addressed in the PEIR:

- Aesthetics
- Agriculture and Forestry Resources
- Air Quality
- Biological Resources
- Cultural Resources
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Mineral Resources
- Noise
- Population and Housing
- Public Services
- Recreation
- Transportation and Traffic
- Utilities and Service Systems
- Cumulative Impacts
- Irreversible Impacts
Collaboration

• Licensing Authorities
  • CDFA, BMCR and DPH

• Natural Resource Protection
  • Fish and Wildlife
  • State Water Resources Control Board

• Pesticides
  • Pesticide Regulations

• Local Licensing
  • Cities/Counties
• Stand up a system to be used by all three licensing authorities
• Track cannabis from cultivation to sale using a unique ID
• Prevent diversion and inversion
• Protect human health through tracking if necessary
Other Considerations

- # of licensees?
- Resource Planning
- Federal Status
- Dual Licensing
- Enforcement
- Balance

CDFA- MCCP November, 29, 2016
Adult Use- CDFA Impacts

• Creates the Marijuana Cultivation Program within CDFA, licensing to begin January 1, 2018 for adult use cultivators

• Adds three additional license types effective January 1, 2023 (Type 5, 5a, 5b) with no size limit
• In addition to 15% sales tax, requires a cultivation tax due after harvest to be paid by the cultivator:
  
• $9.25/ounce of flower
• $2.75/ounce of leaves
• Removes the limit on Type 3 licenses (largest in medical)
• Changes the license combination restrictions
Adult Use- CDFA Impacts

• Adds requirements that retail labels include: all nutrient information, nonorganic pesticides, herbicides and fertilizers used in cultivation

• Creates an Industrial Hemp program under CDFA, which must be operative on January 1, 2017
Industrial Hemp

- SB 566 (Leno, Chapter 398, Statutes of 2013)
- Federal Farm Bill 2014--Section 7606
- Proposition 64—Section 9
- CDFA’s obligations:
  - Convene industrial hemp advisory board
  - Establish registration fee
  - Establish list of approved cultivars
- County obligations:
  - Register seed breeders and cultivators
- Next Steps: CDFA List Serve
Contacts

Amber Morris
CDFA MCCP Branch Chief
916-263-0801
Amber.Morris@CDFA.CA.GOV
www.cdfa.ca.gov/is/mccp

Taylor Roschen
CDFA Legislative Manager
(916) 654-0321
Taylor.Roschen@cdfa.ca.gov