



COUNTY OF MENDOCINO

Board of Supervisors

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April 5, 2023

The Honorable Marc Berman
Chair, Assembly Business and Professions Committee
1020 O Street, Room 379
Sacramento, CA 95814

RE: Assembly Bill 1111 (Pellerin) – Cannabis: Small Producer Event Sales License - SUPPORT

Dear Assembly Member Berman,

On behalf of the Mendocino County Board of Supervisors, I write in support of AB1111, authored by Assembly Member Gail Pellerin. This measure allows licensed cannabis farmers who cultivate less than one acre of cannabis to obtain a specialty event license that would permit them to sell their products to consumers at licensed cannabis events for up to thirty-two days per year.

Currently, cannabis farmers are prohibited from selling their products directly to consumers unless they own and operate a licensed retail facility. This disadvantages small cannabis farmers, who lack the resources to vertically integrate or support large advertising budgets and sales teams. The cost of maintaining high industry standards, challenging market conditions, and restricted access to customers, among other considerations, have created a crisis for small producers, particularly homestead farmers residing in rural California. Many are unable to recoup production costs, much less achieve profitability. As a result, an increasing number of these operators are exiting the regulated industry, which could lead to expansion of the illicit market and dire economic impacts on local economies.

Existing law allows for the issuance of a temporary event license to authorize onsite cannabis sales to persons 21 and older, so long as that temporary event receives local approval. AB 1111 expands market access through specialty event licenses, providing additional opportunities for small commercially licensed cannabis businesses. Providing a pathway for small operators to access legal markets is vital for the economic viability of these businesses.

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As in other craft agricultural industries, such as wine, the ability for producers to sell directly to consumers is a cornerstone of ensuring market access for small producers. This policy will enable craft cannabis cultivators to engage directly with consumers, allowing them to differentiate themselves from large-scale commodity producers.

Small and equity producers participating in cannabis events will be incentivized to drive consumers to legal retail outlets where more of their products can be purchased, supporting the development of a comprehensive supply chain for craft cannabis and the legal cannabis market.

For these reasons, the Mendocino County Board of Supervisors supports AB 1111 and respectfully requests your 'Aye' vote when this bill is heard before your committee.

Sincerely,

A handwritten signature in blue ink, appearing to read "Glenn McGourty", with a large, stylized flourish at the end.

Glenn McGourty, Chair
Mendocino County Board of Supervisors

cc: The Honorable Gail Pellerin, Member of the California State Assembly
The Honorable Jim Wood, Member of the California State Assembly
The Honorable Mike McGuire, Member of the California State Assembly
Members of the Assembly Business and Professions Committee