

# HUMBOLDT COUNTY GROWERS ALLIANCE

## 2021 HCGA Policy Survey

In November 2020, HCGA members completed a survey on their top local, state, and federal policy priorities for 2021. The results of the survey are summarized here.

### Characteristics of Survey Respondents

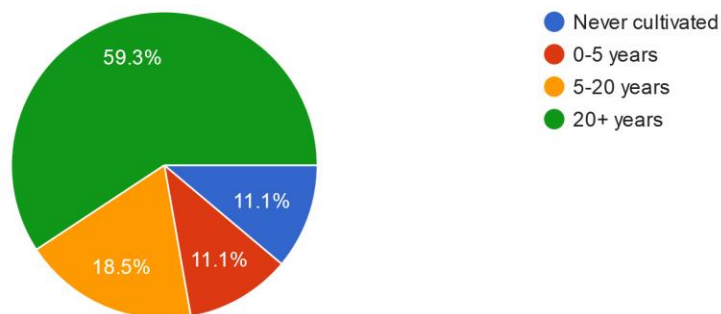
Survey responses were limited to plant-touching HCGA members. Of 27 total responses by licensed members, licensing was distributed as follows. Note that many survey respondents hold multiple license types.

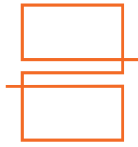
License Type	Number of Survey Respondents
Cultivation	23
Processing	6
Nursery	0
Manufacturing	6
Distribution transport-only	5
Full distribution	8
Retail	3
Testing lab	0

Members involved in cultivation were asked how long they had been cultivating:

If you're a cultivator, how long have you been cultivating?

27 responses



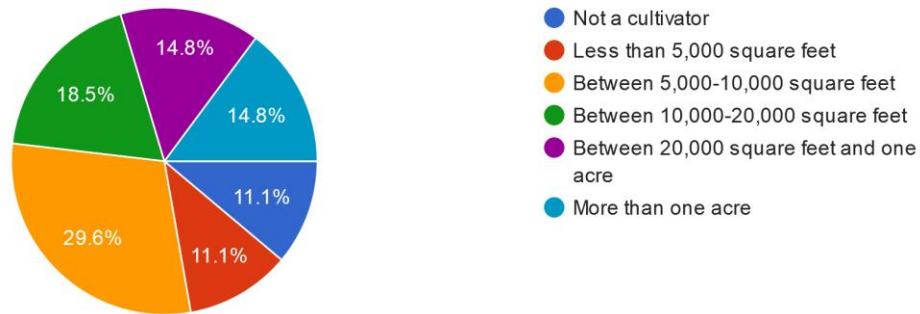


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Nearly all cultivators who completed the survey were growing cannabis well before the passage of the MMRSA and Prop 64. 88% of cultivators surveyed have been growing for at least five years, and 67% have been growing for twenty or more years (note: percentages from the chart above are adjusted for the proportion of survey respondents who are not cultivators at all).

If you're a cultivator, how much square footage do you have under cultivation?

27 responses



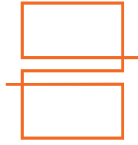
Cultivators who completed the survey were comparable in farm size to the overall proportion of cultivators in Humboldt. According to May 2020 CDFA licensing data, about half of licensed Humboldt farmers grow under 10,000 square feet. Similarly, about half of the farmers who completed the survey grow less than 10,000 square feet.

If you're a cultivator, what best describes your relationship to the farm?

27 responses



Most surveyed cultivators live on their farm either full-time (42%), or most of the time (38%) during the growing season. Only 13% of cultivators do not live on their farm at all.



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### **Top State Policy Priorities**

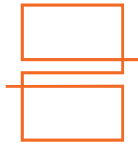
The survey suggested that five issues are top priorities for HCGA members: eliminating the cultivation tax, banking, opening interstate commerce to the Eastern U.S., direct-to-consumer sales at cannabis events, and increasing access to legal retailers.

<b>Policy Issue</b>	<b>Average Rating (1 = least important, 5 = most important)</b>	<b>Rank</b>
Eliminate cultivation tax	4.56	1
Banking	4.48	2
Interstate commerce to the East Coast	4.12	3
Direct-to-consumer sales at cannabis events by consumers	4.04	4
Retail expansion	4.00	5

Of these issues, elimination of the cultivation tax and banking were overwhelmingly ranked as the most pressing issue. The most prioritized issues did not change significantly from HCGA's 2020 policy survey.

<b>Policy Issue</b>	<b>Average Rating (1 = least important, 5 = most important)</b>	<b>Rank</b>
Improve METRC	3.93	6

Additionally, improving METRC emerged as a top policy priority. Although the average rating for METRC was slightly under 4.0 for all survey respondents, cultivators felt particularly strongly about improving METRC's performance. Among cultivators only, the average priority for METRC was equal to the priority given to interstate commerce and direct-to-consumer sales. Combined with the extremely negative rating given to METRC among cultivators later in the survey, this suggests that METRC has emerged as a top policy priority for farmers.



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### **Second-Tier State Policy Priorities**

In addition to the above policy priorities, which were the only issues to average above 4/5 in importance, many issues were rated between 3.5/5 in importance.

<b>Policy Issue</b>	<b>Average Rating (1 = least important, 5 = most important)</b>	<b>Rank</b>
Protect the Emerald Triangle name	3.77	7
Reduce plastic in packaging	3.69	8
Access to processing	3.63	T-9
CDFW/Water Board regulation	3.63	T-9
Access to trade samples	3.55	11

### **Federal Policy Priorities**

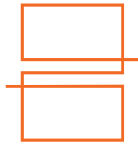
For the first time, the survey asked members what their policy priorities would be as part of a federal cannabis policy framework. The following issues were mentioned multiple times in open-ended responses:

<b>Issue</b>	<b>Number of Mentions</b>
Protect origins (appellations and county of origin)	6
Open interstate commerce	4
Access to banking	3
Direct sales and free access to transport	3
Low/no federal taxation	3
Social equity	2

### **County Policy Priorities**

The survey asked members about county-level policy priorities. A wide range of issues were mentioned, but several issues were mentioned multiple times.

<b>Issue</b>	<b>Number of Mentions</b>
Arbitrary or inconsistent application of rules	3
Prevent increases to Measure S tax	3
Delays in approval	2



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Finally, survey respondents were asked an open-ended question about which issues they would most want to prioritize in 2021. The following issues were mentioned multiple times.

Overall Policy Priorities	Number of Mentions
Reduce/reform taxes	4
Protect small farms, fight commoditization	4
Market expansion	3
Planning department	2
Appellations	2
Compliance education/resources	2
Remove watershed cap	2
METRC	2
Banking	2

### **Perception of Track-and-Trace**

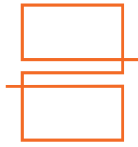
Overall, respondents had a strongly negative view of track-and-trace. Perceptions were particularly negative among survey respondents who hold only cultivation licenses.

	Average Rating (1 = least favorable, 5 = most favorable)
<b>Cultivator Only</b>	1.71
<b>Multiple Licenses or Non-Cultivator</b>	2.63
<b>Overall</b>	2.17

Additionally, while non-cultivators' perceptions of METRC have not changed in the past year (2.62/5 average rating in 2019), cultivators' opinion of METRC has declined substantially since HCGA last surveyed its membership. In 2019, cultivators gave METRC an average score of 2.42/5, compared with 1.71/5 in 2020. This suggests that more familiarity with METRC has led cultivators to be less favorable towards the system.

Several issues were mentioned multiple times when members were asked to comment on track-and-trace's implementation.

Issue	Number of Mentions
Too much data entry/too complex/waste of time	4
Doesn't prevent diversion	3
Wet weights should be removed	3
Lots should be tagged, rather than plants	2



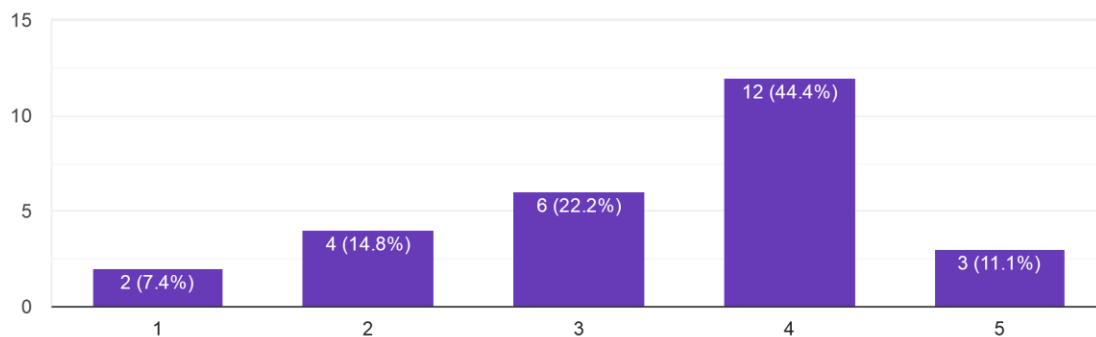
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Overall, the theme of these responses was that METRC is not working well, and that it requires too much non-useful data and does not prevent diversion. The most common required data that cultivators pushed back on recording was 1) the requirement to record whole plant weights and 2) the requirement to record wet weights.

## **Challenges in the Market**

Overall, surveyed members were moderately confident about their ability to succeed in the regulated market, with an average confidence of 3.42/5. In 2019, the average confidence in success was comparable at 3.34/5.

Overall, how confident do you feel in your business' ability to succeed in the regulated market?  
27 responses



Members were asked an open-ended question on their biggest market or policy challenges. The following issues were mentioned multiple times:

Overall Market/Policy Challenges	Number of Mentions
Reduce/reform taxes	7
Decrease in prices	4
Market expansion	3
METRC	3
Compliance education/resources	2
County planning	2
Access to on-farm processing	2
Promote indoor cultivation	2
Distributors are unreliable	2

Members were asked about their relationship with their distributors. The average members in the survey sold to 3.05 distributors. This is an increase from last year, when the average member sold to 2.5 distributors.