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Date: 8/6/2019 12:18 AM
Subject: CCA New Program

Dear Honorable Board

With all respect as you are at every meeting and may know more about this once again CCA Proposal.

I feel that I have missed something every time a CCA proposal comes before you. With most programs, that want the county to spend money on the proposed program they come before the board and public with a full proposal listing the benefits and cost. Please do not accept this proposal and spend more money on the Cannabis Program

With this current CCA proposal, I see this as just a different version of the program I proposed you reject before. The BOS heard before when it was just billed as a Track and Trace program.

I'm dedicated to making the county program work for the small farmer. I'm currently working with a lot of farms helping them with Track and Trace METRC compliance and many of our license cultivators are struggling. It might be ironic that we are communicating via email, as this is a stretch for some of our farmers in the program. I believe the majority of people who are enrolled and trying very hard, even depleting retirement accounts to meet the cost or time of compliance. As with the general population, we have a LOT of farmers in the program over 50 years of age. They are not on forums or Facebook help groups. They need help with the basic METRC program. Has the county done a check-in with farmers to see how they are doing before putting forward another program? I have offered T&T class and have had over 35 small farmers attend. With another 10 who could not make it. That's a good percent of the farms with county permits. There are more classes and more signed up. This should let you know the complexity of METRC. I would like to provide you with a demonstration of track and trace at a future BOS meeting.

The below is getting into the details if you want.

I would like to give you some background on which my analysis is based on this new CCA proposal.

If we go back two years I presented to the board a small presentation on what 3rd party software is. I met with several Ag commissioners as well as Cannabis Program managers also. Unlike most business software, cannabis business software is expensive to use. It's also leased so the farmer is possibly not fully in control of their data. This software ranges from \$180 to over \$600 a month. The CCTT METRC software is fairly straightforward. However, it was not designed for our Outdoor style of cultivation.

CDFA is just starting to understand that plants drop dead and yellow leaves. At one point cultivators were required to report these leaves. When a Cultivator prunes their plants, the need to record the waist. Yes, this is a State level requirement, but cultivators need to follow these rules and are spending more and more time on paperwork than producing crops they are taxed on. I can tell you farmers are spending more time NOT being farmers.

I was lucky to be invited to the Mendocino Farm Bureau meeting on Cannabis. I was fortunate to learn their concerns. I learned a lot that day as well as conveyed the differences our types of Ag have. But at the end of the day, they were amazed and worried about the regulations and reporting put on Cannabis farms.

With this proposed program I see no numbers of what this program will add in revenue. I see costs of 15 to 25 basis points (0.15% to 0.25%) on all reported sales that go through the system. I see a cost of 20K per year the county would pay. How, when we are having more denials of permits and falling FAR short of cultivators paying for this program, will this improve the effectiveness of this program? This can only raise the price to be in the program.

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