

## ORIGINS COUNCIL



July 15th, 2019

Dear Mendocino Board of Supervisors,

I am writing to provide the Mendocino Appellation Project's input regarding the Cannabis Economic Development Ad Hoc Committee's recommendations:

***1. Direct Planning and Building Services to assess the feasibility of developing a cannabis business innovation zone and identify potential sites.***

MAP supports this recommendation.

***2. Update the County Temporary Use Regulations regarding special events to streamline permitting and include cannabis events.***

MAP supports this recommendation.

***3. Direct Planning and Building Services bring back potential sites throughout the County with proper zoning that could allow scaling up to larger than 10,000 square feet of cannabis cultivation. Potentially increasing the size of cultivation greater than one acre with multiple permits if supported with sufficient water and State approvals. Evaluate if biomass production warrants increased cultivation allowances.***

MAP supports this recommendation with regard to the prospective aggregation of permits belonging to multiple local business/owners, particularly legacy small farmers. Our

organization urges extreme caution around any policy that would enable the practice of permit/license stacking for a single business/owner, particularly in association with phase 3 permitting.

Within the global market, which is poised to open up fully within the next 5 years, biomass commodities production of cannabis will be dominated by foreign producers due to advantages on the cost of production. California may have no traction in that market as producers, depending on import laws.

The most valuable opportunity for California, and in particular for Mendocino, to compete in any meaningful way within the eminent a global cannabis economy is through differentiated, high quality, limited edition products, world class cannabis tourism and consumer direct marketing.

***4. Recommend the County work in partnership with Humboldt and Trinity counties to develop a three County Emerald Triangle advocacy group to brand and market the region.***

MAP believes that there are significant benefits to protecting and leveraging “Emerald Triangle” as a legally defined and protected geographic designation. There are a number of significant policy and cost considerations associated with this pursuit. In order to be most effective within the larger geographic indication system currently in development for California cannabis, we recommend Mendocino County prioritize development of a County of Origin program first, or in parallel to, an Emerald Triangle program.

MAP supports the pursuit of regional branding and marketing, which is at the core of our organization’s mission and our state policy work over the last 4 years. This policy work has been pursued in coalition with a number of other regional and state advocacy organizations.

Most recently our organization was invited by CDFA to participate in their Appellations Working Group, now concluded. The AWG explored prospective goals and approaches to drafting CDFA’s geographic indication regulatory package for California cannabis, inclusive of both County of Origin and Appellation of Origin designations. CDFA will be drafting this regulatory package this fall/winter.

It is important to understand that California cannabis County of Origin and Appellation of Origin are mandated within state law to be legally defined and protected Geographic Indications (GIs). This means that the use of the protected geographic name in labeling, marketing or trademarking, outside of qualifying businesses in compliance with any associated standards and operating within the designated area, is prohibited under law.

There was discussion within the CDFA Appellations Working Group around establishing a third tier of legal geographic indications for multi-county regions such as the Emerald Triangle. A representative from Rural County Representative of California suggested exploring some type of working structure between the county governments to pursue this. However, in order for the designation to be meaningful and effective, the term “Emerald Triangle” must be legally defined and codified within regulations as a geographic designation, in order to defend against fraudulent use of the term.

Without this legal definition and codification, the local investment of resources into branding and marketing such an identity would be misguided because it would result in supporting companies outside of the geographic boundaries of the Emerald Triangle in co-opting and benefiting from our regional brand, which would significantly dilute the value of the regional brand and marketing efforts, with no legal recourse. There have been a number of such misuses of the term “Emerald Triangle” cropping up with outside counties or even states exploring a definition of the “Emerald Triangle” that include their region. The term is extremely valuable to our region, and should be legally defined, protected and leveraged exclusively by our region.

Costs associated with branding and marketing are significant. Regional geographic indications carry significant additional costs associated with the development of any associated standards, policy development, development of the mark, processing applications for use, ongoing verification mechanisms for any associated standards (such as the geographic source of production), and managing complaints of fraud and pursuit of any associated penalties.

For a number of reasons, our organization believes that County of Origin designations should be prioritized in a jurisdiction such as Mendocino County that is ultimately interested in leveraging a tiered geographic indication system that includes County of Origin designations, standards-based micro regional Appellation of Origin designations as well as broad multi-county regional designations such as an Emerald Triangle designation.

We have heard concerns from many local stakeholders that if Mendocino County does not pursue a County of Origin designation before, or parallel to, an Emerald Triangle designation, we will weaken our regional identity and position in the marketplace.

Humboldt County has established [Project Trellis](#), in part to support marketing and branding associated with a Humboldt County of Origin designation, and serves as a model for Mendocino to consider. This program will be funded from local cannabis excise tax revenues, fees and state equity funding via SB 1294. CDFA’s forthcoming draft regulations will address the role of CDFA in County of Origin designations, which may involve coordination with local County governments, development of a statewide County of Origin labeling template, coordination with the California Department of Public Health on

developing labeling and marketing regulations for qualifying cannabis products as well as potential conjunctive labelling requirements.

MAP is committed to working in partnership with the Mendocino Cannabis Alliance, local stakeholders and local and state government to support the development and implementation of a legal geographic indication system for cannabis that can support a robust and defensible marketing and branding platform for Mendocino's world famous cannabis. Our organization works with a number of legal experts in the fields of intellectual property law and geographic indication law to support these efforts, and looks forward to continuing dialogue with the community and local government around these goals.

***5. Develop a private/public partnership with cannabis cultivation and facilities businesses to fund future code changes that will require additional California Environmental Quality Act (CEQA) documents to support industry operational desires not currently allowed under Mendocino County Code.***

MAP supports the County in the exploration of CEQA requirements for expanded opportunities for local cannabis businesses, inclusive of robust and diverse local stakeholder engagement.

Please feel free to contact me regarding any questions you may have. We greatly appreciate your consideration in this matter.

Sincerely,

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