

To Whom it may concern;

As a Small farmer in Lake County, I am thankful for the opportunity to begin a commercial cannabis business. There are many steps one must accomplish in this journey of state legalization and county compliance. Lake County is doing their best to adopt similar measures to those of the state in effort to make the process as efficient and pain free as possible.

The state began issuing temporary licenses on January 1, 2018, and Lake County offered the opportunity to apply for said state licensure by way of an initial, self-certification program. With that, a few farmers were able to obtain the temporary license, and begin operation(s).

The reason for the temporary license is to allow time for the cultivator to obtain the remainder of the requirements for the annual license; to ensure no gap in the opportunity to grow legally in 2018.

However, Lake County does not follow in this expedition, by way of requiring an additional permit, whether major or minor, which is costly and is proposed to take up to six months in processing times. Prior to applying for said permit, a cultivator is required to attend a pre-application conference. In addition, to submit the application, there are many costly and time deficit requirements. While I am by no means complaining of this process, I am concerned that the process may, in fact eliminate the opportunity for an outdoor grower in Lake County to proceed with the license issued by the state for this year and begin growing. This means no harvest for 2018. It also means no way for the grower to realize any "break even", let alone profit for 2018. This will keep many from the legal process, and remain funding the "black market" which is unfair to those of us taking the steps to fully comply.

I understand there is an early activation permit available, but that also takes at least thirty days to approve and we are now sitting on the third week in May. While I have most of the requirements met, there is one that will require time I do not have; I am at the mercy of the schedule of a design professional to prepare numerous documents. An outdoor grower must plant no later than the first week in June if one hopes to reap a decent harvest.

Additionally, the taxes imposed on the Lake County cultivator at \$1.00 a square foot seem quite steep. For an applicant of a 10,000 square foot, small outdoor garden, that is an annual tax of \$10,000. And that is only the grow area. There is also the same tax implied for the drying, processing, and basically anywhere on the property the plant may need to be processed and/or packaged. This could lead into the tens of thousands for some farmers.

Without the opportunity to grow above the canopy any higher than the fence, or the opportunity to exceed a certain size garden area, these fees alone are enough to cancel the opportunities for any type of profit. There are many things that can go wrong with a plant, and every single plant is different. Plant success also varies from farmer to farmer, and region to region. One could plant 100 plants comfortably in a 10,00 square foot area, and end with a harvest of anywhere from 50 to 300 pounds, give or take.

The state charges • \$9.25 per dry-weight ounce of cannabis flowers, and • \$2.75 per dry-weight ounce of cannabis leaves. This is a manageable cost. The distributor collect this tax upon the transfer of sale.

It would be better for a Lake County farmer if a similar tax was imposed. Perhaps a tax on the outcome of the garden annually, as opposed to the entire size of the business.

The price a cultivator can expect to receive payment for a unit (lb) of cannabis this year has fallen to an all time low of \$600. Using the figures I placed above, a farmer with a 50 unit harvest will only make \$30,000 *before* tax. This is **if** one can even find a distributor who isn't already "full", or whom is even accepting new vendors. I personally have made calls and sent emails to dozens of distributors across the entire state, and I received only one response.

Until a Lake County farmer is permitted to distribute the cannabis for themselves, and/or the county allows distribution, again, the farmers hands are tied. Many may be left with an enormous loss as all the expense(s) in growing a cannabis garden is now ten times what it once was.

Again, please do not see my voice as a complaint, merely as a concern while entering and enduring this first year in the brave new world of cannabis legalization.

Thank you for your time and Consideration.

Warm Regards,

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