



March 29, 2023

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

**RE: Assembly Bill 1111 (Pellerin) – SUPPORT
As Amended March 13, 2023**

Dear Assembly Member Berman:

On behalf of the Rural County Representatives of California (RCRC), and the California State Association of Counties (CSAC), we support Assembly Bill 1111, authored by Assembly Member Gail Pellerin. This measure allows licensed cannabis farmers who cultivate less than 1 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 32 days per year.

Currently, cannabis farmers are prohibited from selling their products directly to consumers unless they also own and operate a full-fledged licensed retail facility. This disadvantages small cannabis farmers, who lack the resources to vertically integrate or support large advertising budgets or sales teams. The cost of maintaining high industry standards combined with 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. In turn, an increasing number of these operators are exiting the regulated industry which could lead to significant 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 is an event that receives local approval. AB 1111 expands market access through specialty event licenses, providing more opportunities for small commercially licensed cannabis businesses to better market their products. Providing a pathway for small operators to access legal markets is vital for these businesses to make ends meet and sustain their economic viability.

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The Honorable Marc Berman
Assembly Bill 1111
March 29, 2023
Page 2

For the above reasons, we respectfully request your 'Aye' vote when this bill is heard before your committee. If you have any questions, please do not hesitate to contact Sarah Dukett (RCRC) at sdukett@rcrcnet.org. or Ada Waelder (CSAC) at awaelder@counties.org.

Sincerely,



SARAH DUKETT
Policy Advocate
RCRC



ADA WAELDER
Legislative Advocate
CSAC

cc: The Honorable Gail Pellerin, Member of the California State Assembly
Members of the Assembly Business and Professions Committee
Vincent Chee, Consultant, Assembly Business and Professions Committee
Bill Lewis, Consultant, Assembly Republican Caucus