

From: Community Economic Development Advisory Committee
To: El Dorado County Board of Supervisors
RE: Recommendation on Industrial Hemp Cultivation in El Dorado County
DATE DRAFT

The Community Economic Development Advisory Committee is recommending that the El Dorado County Board of Supervisors lift the ban on Industrial Hemp cultivation and implement an Industrial Hemp Pilot Program for the 2022 and 2023 growing seasons operating under the Key Points created by the joint CEDAC/Agricultural Commission working committee (Attachment A). The Pilot Program should serve the purpose of establishing a foundation and framework for the hemp industry to operate within immediately and to allow for research and data collection to inform a future permanent ordinance.

This recommendation is informed by the guiding principals and goals outlined in the **Agricultural and Forestry Element** of the **El Dorado County General Plan** which states:

“In El Dorado County, these lands are regarded by residents as fundamental components of the County’s rural character and way of life. ... Prudent management of the County’s agriculture and forestry resources is needed to provide future generations with opportunities to experience both the economic benefits and rural lifestyle residents now enjoy.

GOAL 8.2: AGRICULTURAL PRODUCTION

A healthy, stable, and competitive environment necessary to sustain agricultural industry.

OBJECTIVE 8.2.2: AGRICULTURAL OPERATIONS

Protection of the rights of agricultural operators to continue agricultural practices on all lands designated for agricultural land use and expand the agricultural-related uses allowed on such lands.

It is our finding that this new and emerging industry, which according to a recent *economic impact report has the potential to have a \$32 billion total economic impact in the US, repatriate more than 66,000 American jobs, save 8M tons of CO2/year and account for over \$9 billion in economic output in rural areas by 2030, represents a viable economic opportunity for entrepreneurial citizens of El Dorado County.

According to the 2021 U.S. Home Affordability Report by real estate research firm ATTOM Data Solutions, El Dorado County ranked 18th in the nation for highest housing prices relative to income. Higher than the Bay Area- for comparison, San Francisco County is 39th. The discrepancy between incomes and housing costs in El Dorado County have reached a critical point resulting in the exodus of businesses and the labor force as each struggle in a local economy that does not adequately produce the means necessary to both live *and* work here. Banning a federally legal agricultural commodity which is on track to see a CAGR of 30%-40% over the next five years is an explicit barrier to the economic advancement of law abiding, business-minded local residents.

Through our research and conversations with community and industry, it is apparent that resistance to allowing Industrial Hemp cultivation is largely a result of confusion and conflating of Hemp with Cannabis (Marijuana). The fears and apprehension around this are understandable during this awkward period of decriminalization. The results have been contradictory regulations, bans, confusion and a whole lot of extra work on local agencies trying to sort it out. However, this period is a transition and one that is working towards stability. It is our strong recommendation that the county take a position of leadership and forward thinking and make every effort to put El Dorado County agriculture in a competitive, supported and viable position for the future.

**In response to a request from the Domestic Policy Office in the White House, the National Hemp Association released an economic impact report titled, “Building the Sustainable Hemp Industry in the United States.” October, 2021*

Attachment A DRAFT

KEY POINTS – Industrial Hemp Pilot Program

Presented by the CEDAC/Ag Commission joint working committee.

The following are key points that have been customized to meet the specific needs of El Dorado County. The proposed pilot program will also adhere to all mandatory state regulations regarding testing, compliance, inspections and all other applicable functions.

I. Best Management Practices

Adopt appropriate BMP's into the pilot program as outlined by the Agricultural Commission.

II. Zoning and land use

- Allow indoor and outdoor cultivation of Industrial Hemp in all Agricultural zones: LA, PA, AG, RL with existing agricultural set-backs.
- Allow indoor cultivation in industrial zones.
- In good-faith to the concerns of residents and neighbors, ban hemp cultivation in all residentially zoned parcels.
- Minimum parcel size: 10 acres.

III. Ministerial permit process

IV. Limit permits issued to 50

V. Additional Inspections

In addition to complying with all required CDFA inspections and THC testing protocols, the Agricultural Commissioner shall conduct additional annual inspections of a random sample of registrants to verify registration information, confirm crop destruction, and ensure appropriate record keeping.

VI. Fees and bond for destruction plan

Establish a fee structure to cover costs of pilot program management. Permit holders must put up a bond sufficient to cover crop destruction in the case of THC levels past the .3% threshold. If the producer adequately mitigates the crop the bond can be refunded or put towards the following year.

VII. Official Signage program

In order to deter theft and confusion with cannabis, permit holder will comply with an official signage program clearly distinguishing the crop as Industrial Hemp with the license number clearly displayed. Signage must be prominent, legible from a distance and displayed in all areas of the grow site that is visible to the public.

VIII. Research

Encourage research and studies to be conducted by accredited educational or industry institutions on terpene drift and its effect on neighboring crops.

IX. Sensitive Populations

Monitor cultivation sites impacts on sensitive groups or locations (such as schools and parks) to inform policy and regulations during and/or after the pilot program based on feedback and data.