

So Hum Royal Cannabis Co.

LIS GRANT



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Narrative for Project Trellis Micro Grant
December 16th, 2020

Summary of our Business: Our farm has been an active cannabis farm for over 37 years, and many hardships were suffered



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the land he cherished. He has been continually educating himself about best practices and permaculture, along with dynamic farming. The opportunity for legalization materialized in Humboldt County and he was one of the first to apply for his permit. I believe he was 10th to have one granted. Being raised in the valley, he has always considered himself to be a steward of the land. He is bringing up his children with those values.

With this said, we are including maps detailing our 42 acre farm, which we have owned for the duration of our time in Humboldt County. Sean Stamm and I are joint tenants on the land, and he owns the business. We both have family homes on the property. The business has two permits:

CCL18-0001962. Medical Medium Outdoor

CCL18-0002474. Adult Use Small Mixed Light

The farm has 3.5 employees who currently work on the farm 9.5 months out of the year. The farm lies dormant from December 15 through March 1. We stay on and care for the animals and the garden and keep a few mother plants alive in a small space to continue with our award winning genetics.

Project Overview: We are asking for a \$10,000 contribution toward the purchase of two Thermo-Grow 220 Greenhouse Heaters by L. B. White for our off-grid farm, and two Quest 220 volt 165 dehumidifiers, along with the infrastructure to hook up the propane for the two heaters. The total cost will be \$15,164.95, and we will pay the other portion out of our funds.

Our proposed project is to install each heater and dehumidifier in a greenhouse. One greenhouse is our nursery where we will be able to heat and nurture our own genetics: up to 20 mother plants and the clones we make from them to supply our farm. The second heater will be installed in a 100 x 30 foot greenhouse where we normally produce two mixed light crops per year.

Our production would double, enabling us to grow 4 crops a year in this greenhouse. This is the necessary boost we very much need to keep our property and business sustainable, as we continue to be active members in the Humboldt County cannabis community.

The project location will be the Upper Site of our farm located at [REDACTED] Honeydew, California. This is where we currently grow our three of 5 mixed-light greenhouses, and have a dedicated nursery for mother plants. Our grow covers 8950 square feet. The Upper Site is the central location of the farm. Sean Stamm's family home and shop are also in that location, along with our off grid power plant, two solar trackers, and our rain catchment system which fills 220,000 gallons of storage.

We have tried, for all three years we have been in business, to take the money we earn from our crop to purchase the heaters and dehumidifiers. Unfortunately, by the time we have paid our taxes, employees, trimmers, and put money aside to keep our farm going in the next season, the funds to cover the project just aren't there. We barely have had enough to keep the farm thriving at the level we would like. This means we only have our very small harvest in July and larger harvest which includes some outdoor plants in October to cover our expenses for the entire year. We have tried, but cannot get business loans from banks because we are a cannabis business. Sean has sought a few different investors, and we have been close on two different occasions, but the potential investor in both cases, pulled out before any funding appeared each time. It has been very disheartening to put so much energy into bringing on an investor, who then changes their mind. We figure we can pay the remainder of the cost if the Trellis Grant of \$10,000 is awarded to our farm.

Economic Impacts: If we receive the grant, it will have a major impact on our business's sustainability. In the first greenhouse, it's a huge challenge to keep the plants warm enough to make it through the winter. The cold takes a negative toll on our clone supply every winter, resulting in the need to purchase clones from nurseries, costing us up to \$4,000 a year. We will be able to start our seed plants at least 40 days earlier, which means they will be larger, increasing our yield. Likewise, having four harvests in the second greenhouse instead of two will bring in about 20% extra revenue to the farm. Which in turn increases our tax contribution to Humboldt County and state of California.

The best part is it will be year round revenue which will better enable So Hum Royal to stay afloat as a business. The year round income, arriving in four increments, will enable us to have a more consistent cash flow for covering expenses. We will further support the cannabis industry in Humboldt County, by increasing revenues collected through the Cannabis Excise Tax by 20%, and enable us to contribute more to the local economy, as well.

Two of our employees will do the work onsite, with salary increases. Additionally, we will be able to retain one full time employee to work during the two and a half months that we normally close, to care for the newly heated nursery and greenhouse with [REDACTED] our owner. This employee will live on the farm full time with free housing for himself and his family, which he very much wants to [REDACTED] r employee will earn 2.5 month's extra wages, as well. He wants to join [REDACTED] owner; [REDACTED] as a volunteer fire fighter in the Honeydew Volunteer Fire Company. [REDACTED] is already [REDACTED] s First [REDACTED] nder and an active volunteer. We will double our contribution to our local HVFC when our employee joins and attends the meetings and trainings.

Environmental Impacts: Our farming practices embrace the biodynamic whole-farm approach to sustainability, where each element of the farm benefits the others. Each year we are closer to the biodynamic model, where we use organic techniques to create a closed loop system with minimal external inputs. Soil health is at the top of the list. All of our soil beds are full of earth worms which feed on the alpaca manure we work into the soil and then top dress with throughout the season. We have a new chipper/shredder which we run our cannabis stalks through for compost. Our five alpacas and good sized flock of chickens, also contribute their waste to our fertilizing "teas" which we make onsite. We grow a cover crop during the off-months which aids in restoring soil health each year. All of these methods promote plant health and minimize the growth of mold and insect infestations. We treat insects and mites with beneficial insects, including praying mantises, lady bugs, plus treatments which contain microorganisms, which consume pests. Our rain catchment system fills 212,000 gallons of storage each winter. We are proud of that system and how it works along with our two very low flowing wells to keep our crop consistently watered and thriving.

We do not use pesticides, but go for natural pest control, as highlighted earlier. We have no creeks or stream beds on the property, and we are maintaining our roads and have installed culverts to handle the winter rain runoff, although we continually need to do more work on the road.

We keep our environmental footprint as small as possible on our farm. Our biodynamic way of managing the farm reduces our footprint considerably. The environmental impact of adding the two propane heaters will be minimal, yet our increased yield and farm stability, and contribution in taxes will be significant.

Project Process:

To achieve our desired outcome, which is to get the two greenhouse heaters in place and operational, we will have to pull from a few different resources. We will start by renting a trencher, and spend about a day and a half or two getting the trenches dug from the propane tank, to each heater. We will purchase cement and build a cement slab for the propane tank we will rent from Blue Star Gas to fuel the heaters. We figure it will take about a day with two of our own employees to build the form and set the cement slab. Then another day with the same laborers to fill in the trenches after the line has been laid. Blue Star Gas will lay out the line, and install connectors and the regulators for this project. Blue Star Gas will be responsible for storage tank delivery. We will purchase two dehumidifiers, because once we begin heating the greenhouse, the humidity will rise unless a dehumidifier is kept running. Luckily, our current solar panel system can handle this. load. This is the necessary boost we very much need to keep our property and business solvent. Our plan is to organize the whole process, logging in everyone's hours, and the costs of the materials for follow-up on the Trellis Grant.

Additional Information:

[REDACTED]

[REDACTED]

[REDACTED] to
y with workman's comp
insurance, has been a huge challenge, but one we have managed to do.

[REDACTED]

[REDACTED] and I are both active members in Humboldt County Growers Alliance, attending weekly meetings via Zoom, giving out input whenever it's asked for, filling our surveys, helping promote our county and it's cannabis industry. We also belong to NCIA, and have attended several of their conferences in northern California. We are members of the Southern Humboldt Chamber of Commerce. We are both involved in the Humboldt Appellations project through HCGA, as well.

Thank you for taking the time to read our Project Trellis Grant Proposal narrative. We appreciate the opportunity to apply for funds to help with our heating project through the use of excise tax monies, and hope you will grant us the opportunity for So Hum Royal to become more solvent, more sustainable family operated heritage farm in our beloved Humboldt County.