

## Resumen del formulario

Applicant Name and Title	[REDACTED] Co-Owner of Sensi Valley Farms
Applicant Address	[REDACTED]
Applicant Phone	[REDACTED]
Applicant Email	emily.talentino@sensivalley.com
Applicant interest in project/site	Owner
Business/Association Name	Sensi Valley Farms LLC
Are you applying as a Humboldt County based business, cooperative, association, or nonprofit organization?	Yes
Are 75% or more of its operations based in Humboldt County?	Yes
Are you currently licensed and registered to operate in Humboldt County?	Yes
If you are not licensed or registered to operate in Humboldt County, are you in the process of doing so?	
Are the activities of your business, association, or organization, specific to the cultivation, processing, manufacturing, distribution or retail of cannabis, or whose organization provides support and/or services to the cannabis industry?	Yes
\$10,000 Eligibility	Distribution
Cultivation Lighting (as defined in Humboldt County Code 719-3)	
\$50,000 Eligibility	
[[[]]]	
If Other, please explain	
What amount of the business is Humboldt-owned? "Humboldt-owned" is defined by registered residency of owners	100% Humboldt-owned
Ownership Structure and Owners	[REDACTED]
# of FTE Employees	

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Summarize the business/association and its activities Word Limit: 250

Sensi Valley Farms LLC is a locally owned business with 100% of its operations in Humboldt County. It was originally formed in 2016 with the vision of building a much larger, greatly needed cannabis support facility in Dinsmore. However due to permitting and environmental issues on the old mill property, the project had to be abandoned after three years of intense permitting and research, and a new site was acquired nearby through a privately financed mortgage from a local landowner in order to develop a smaller scale cannabis support facility. On this new site in Dinsmore, Sensi Valley Farms (SVF) was able to secure a local county permit in June 2019 and a provisional state license for full distribution in September 2019. Since securing the permit & license, SVF has primarily used its distribution license for self-transport of products and clones for its partner company, Green Leaf Nurseries. Sensi Valley's goal in 2021 is to expand its services to meet the needs of other licensed cultivators in the area by providing a centralized location for product intake and storage and shared transportation in order to reduce overhead expenses and help licensees to succeed in the heavily regulated and taxed compliant market.

Program / Project Name

Sensi Valley Farms Distribution Center

Requested Amount

USD 10000.00

Total project cost/funding needed:

USD 26426.00

Additional Funding Sources

Owners

Type of project

Implementation, Capital Investment

If Other, please explain

Project Address

██████████ Dinsmore, CA 95526

Project Assessor's Parcel Number (APN):

208-341-023

Does the project/business consist of a qualified outdoor cultivating operation (as per Humboldt County Land Use Ordinance) that produces less than 10,000 sq. ft. of cannabis (not including co-ops and associations whose cumulative area may exceed 10,000 square feet)?

No

Licenses & Permits

CDFW Lake And Streambed Alteration (LSA) Agreement or written verification if not needed., Humboldt County Provisional Permit, Jurisdiction Business License, California Department of Tax and Fee Administration tax permit, Articles of Incorporation, Federal Employer Identification Number (FEIN)

Licenses, Permits, & Agreements

[archive-1.zip](#)

## Resumen del formulario

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Sensi Valley Farms's goal is to expand its distribution services to meet the needs of the many licensed cultivators in the area by providing a centralized location for product intake and storage and shared transportation in order to reduce overhead expenses and help licensees to succeed in the heavily regulated and taxed compliant market. In order to expand its services to meet the needs of other local licensed cultivators, SVF needs financial support in building its intake facility and purchasing a truck and/or trailer for transportation. Our goal is to provide a central place close to dozens of local farmers where they can bring their product and then we can provide shared services including packaging, testing, and transportation at discounted, volume pricing. The cultivators in our area also need a licensed distributor that can help them transport immature plants from a licensed nursery to their site as well as move plants between their sites in instances where farmers have more than one state license on the same or adjacent properties. Per state regulations, a cultivator with two or more licenses adjacent on the same property, or on different properties, cannot move plants between the different licensed premises without employing a distributor or having their own distribution license. This is a huge barrier for local farmers.

Sensi Valley Farms has attempted to raise capital through private investors and conventional bank loans without success. In addition, we applied for a Trellis grant in 2019 but were not one of the fourteen companies awarded a grant. At the time we applied in 2019, our project proposal was much larger and then would have been harder for us to personally fund the large remaining balance. This updated proposal reflects a scaled back version that can still meet the same needs for our local community.

In lieu of building a 2,000 square foot facility, we are proposing having 2-3 twenty-foot shipping containers anchored permanently onsite. This will allow adequate storage space for the intake of product which would then be transported in a larger volume to one of our larger, licensed partner businesses on the coast in Humboldt, such as Green Ox, Sisu, and Ital Distribution for processing, packaging and distribution. This model allows us to grow slowly as we can start by purchasing one container and then add one or two more based on need and available capital funding. The other immediate need is for a box truck and/or trailer in order to increase the capacity of product and immature plants that we can pick up and deliver. A \$10,000 grant from Humboldt County would be immensely beneficial in helping us cover these upstart costs to ensure our future viability and solvency.

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Sensi Valley Farms distribution operations will have a positive economic impact on the County in addition to helping ensure the sustainability of the budding regulated cannabis industry. Cultivators are faced with so many administrative costs, taxes, fees, and other expenses related to the intensely regulated industry that there is little to no profit and many will fail within the next couple of years. Furthermore, the typical outdoor or mixed light grower receives a much lower price for his flower than the

capital-rich indoor grows which can afford to buy shelf space in dispensaries, pay for marketing specialists, and package their products in the most expensive way. Our local growers should be awarded higher prices for their product, like the grape growers and wine producers of Napa Valley; we have an artisanal product that deserves top dollar but we lack the unification and marketing prowess to demand it. Thus the net profits of our local cultivators continue to dwindle. See attached Budget example of all the overhead and permitting expenses a cultivator pays annually.

SVF wants to help reduce these expenses and increase the farmers' profit margins. Instead of having to pay \$2.00 or more per mile round trip for a distributor from the coast or other parts of California to come pick up their product, we can pick up product from multiple farmers and then collectively transport it in bulk to the third party processor, lab tester, or distributor. We can also work on volume discounts as well as group marketing and branding to increase the sales price of products.

SVF's business model is economically sustainable in addition to promoting stability and sustainability for the local cannabis cultivators who use our services. In our proposed distribution center, thousands of pounds can be stored and transported annually. SVF plans on hiring two full-time employees to assist with running operations of the distribution facility and to transport products.

Both owners are active community members and have been actively involved at the local and state level regarding cannabis policy and legislation. As advocates for responsible and reasonable cannabis regulations, we have advocated for policies and legislation that will benefit the small cultivators and business owners of Humboldt County on an on-going basis. We have attended dozens of planning commission and board of supervisors meetings to give input on local ordinances and speak on behalf of other cannabis business operatives and their proposed projects, as well as personally met on multiple occasions County representatives and officials to share the challenges the small cultivators face and how we can work together to resolve them.

[REDACTED], and have given regular feedback to the BCC and CDFA as their regulations have evolved, and continue to evolve, since the 2016 passage of legalized adult use cannabis. We are active members of the Humboldt County Grower's Association and have developed a strong network with many members from around the industry.

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The biggest positive impact this project will have on the environment is the reduction in traffic and thus carbon emissions and air pollution. Currently, it's each cultivator for him/herself. Every individual cultivator is paying for distributors to come out multiple times per growing season to pick up their product. These distributors often come from Eureka and Arcata, 120-150 miles roundtrip, as well as from further destinations including Sacramento, San Francisco, and Los Angeles. If each cultivator needs product picked up 6 to 10 times per season, that totals 900 to 1500 miles per grower just if they're bringing product to the Humboldt coast; if going further afield, that's potentially tens of thousands of miles. If we work with just ten cultivators to provide transportation to processors and distributors on the Humboldt coast, we can save well over 10,000 miles per year.

We can also provide a centralized location for farmers to drop off cannabis waste, such as roots, stalks, and other plant (non-flower) material, and offer bulk drop off to Wes Green's Green Waste program (<https://www.wesgreenlm.com/greenwaste-program/>) in Arcata. This will allow plant material to be properly composted and turned into rich soil that can then be sold back to farmers in the area.

Our revised model for our distribution "facility" consisting of 2-3 20' shipping containers will have minimal footprint environmentally. We are already connected to PG&E and enrolled in their REpower+ program, offered by the Redwood Coast Energy Authority, in which we pay a higher rate for electricity in order to reduce our carbon footprint. The REpower+ electric service is 100% renewable. We are currently talking with Green Tech Solar and Six Rivers Solar Energy to get quotes on solar panels for our entire property including the distribution containers.

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We completed extensive research regarding the need and viability of this project prior to purchasing the property and applying for local permits and the state license. Since beginning initial operations, we have been able to interact even more with the licensed growers in our area and understand the daily struggles and ongoing challenges and needs. Humboldt County clearly recognizes the need for branding and overall support of our local growers based on the Board of Supervisors' recent passage of a new cannabis marketing strategy as well as the creation of the Trellis grant program in 2018. A recent article in Marijuana Business Daily states "Since the state's legal market launched in 2018, the small Emerald Triangle farmers arguably most responsible for that reputation are largely getting left out when it comes to credit for the quality of the state's marijuana crop. Unlike California's famed winemakers, these craft growers face systemic hurdles because they usually can't afford the tens of thousands of dollars – or, in some cases, hundreds of thousands – it would cost to set up and manage their own branded products." (<https://mjbizdaily.com/why-california-craft-marijuana-farmers-cannot-offer-own-brands/>; 11/16/20).

We have provided an attestation as we do not have nor do we intend to have 20 or more employees.

Both owners have significant business experience, specifically in highly regulated industries, in addition to over four years of hands on experience in the cannabis industry. [REDACTED] has been an entrepreneur for over 30 years and started three of his own companies; his experience navigating government regulations and succeeding in emerging markets gives him the skill sets to thrive in the new cannabis industry. [REDACTED] has a Masters in Public Administration and over 15 years experience as a director of nonprofit organizations; her passion and understanding of community development and being able to succeed with very limited resources are transferable skills to the cannabis industry. [REDACTED] can use their business acuity to help other cannabis operatives succeed in the challenging, regulated industry, in addition to having a strong network of connections with local cultivators, distributors around the state, and other ancillary service providers. By working collaboratively with all these groups, SVF will be able to increase the value of Humboldt cannabis in the marketplace and reduce overall expenses to ensure our local farmers are rewarded with the profits they deserve.

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Word Limit: 250	<p>Thank you to the staff and volunteer advisory committee reviewing these proposals. Beyond the challenges facing the local cannabis cultivators as a result of the intense, burdensome regulations from multiple state and local agencies, many of us were also faced with the damage and destruction caused by the wildfires earlier this year. While we personally feel fortunate that our house and property were not burned, we were still deeply impacted. Our cannabis (in our licensed grow under Green Leaf Nurseries) sat in smoke and dark conditions for over two months. We were evacuated by mandate from our house once and had to leave multiple other times due to the poor air quality and threat of encroaching fires on Hwy 36. For well over a month, we were in a red flag evacuation warning zone. A lot of our cannabis was stunted and damaged and some finished product had to be destroyed because of the smoky smell. We were hoping to use the profit from our licensed grow to fund the capital and start up operations for our Sensi Valley Farms Distribution operations, however we are finishing the year at a deficit and thus the Trellis grant funds are even more critical. Thank you for your time and consideration.</p>
Project Budget	<a href="#">archive-2.zip</a>
Select each item being uploaded.	Any accompanying and supportive project documents such as site maps, equipment specifications, contractor bids and estimates., Timeline with expected project milestones and completion dates, Associated Research
File upload	<a href="#">archive-3.zip</a>