

# ATTACHMENT A

## Standardized Regulatory Impact Assessment (SRIA)

Prepared by:

ERA Economics, LLC for the CDFA

Table 7 Sample Average Production Parameters and Costs for Outdoor, Indoor, and Mixed-Light Cultivation Production Method

	Outdoor	Indoor	Mixed Light
Canopy square feet (sample average)	8132	4869	2058
Yield Per Plant (lb)	2.484	0.588	0.875
Price Per pound (\$/lb)	1402	2275	1575
<b>Revenue</b>			
Flower Revenue	\$221,860	\$574,932	\$234,000
Trimming Revenue	\$1,757	\$3,737	\$1,481
<b>Total Revenue</b>	<b>\$223,617</b>	<b>\$578,669</b>	<b>\$235,481</b>
Expenses (net of mgmt and risk)	\$104,989	\$157,438	\$122,398
Net return to management and risk	\$118,628	\$421,231	\$159,658

## Standardized Regulatory Impact Assessment (SRIA)

Proposed Regulations for Manufacturers of Adult-Use and Medicinal Cannabis

Prepared for the California Department of Public Health

By the Humboldt Institute for Interdisciplinary Marijuana Research

First, we assume that one pound of trim yields one ounce, or 0.0625 pounds of cannabis oil. Second, one pound of flower yields three ounces, or 0.1875 pounds of cannabis oil. Third, we assume that currently ten percent of cannabis oil production comes from flower and the remaining oil is produced from trim.

We also need to know how much dried trim is obtained at harvest for every pound of dried cannabis flower. The range of responses for this estimate was large, with some indicating that for one pound of flower one quarter of a pound of trim is obtained, while some report that one pound of trim or more is obtained. It seems to depend on the amount of leaves and stems packaged with the trim, the strain, and the level of THC obtained. Cannabis plants grown outdoors also have a different trim to flower ratio than plants grown indoors. We assume that at harvest time, for every one pound of dried cannabis cultivated, there is 0.40 pounds of dried trim obtained. This figure is in the middle of our responses and is consistent with ten percent of oil extracted from flower in our simulations of the combined medicinal and unlicensed segments.

	<b>Outdoor</b>	<b>Indoor</b>	<b>Mixed Light</b>
<b>Plants/1,000Sq. ft.</b>	<b>100</b>	<b>1,000</b>	<b>250</b>
<b>Yield lb./1,000 sq. ft.</b>	<b>248.4</b>	<b>588</b>	<b>218.75</b>
<b>Oil yield/1,000 sq. ft.</b>	<b>46 lbs.</b>	<b>110.25 lbs.</b>	<b>41 lbs.</b>

Averages of plants /1,000 sq. ft. based on personal investigation.

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**While some may disagree with the statistics provided by the SRIAs, these are the results provided by the consultants, hired by the State, to inform the agencies while constructing their framework for their regulations.**

**We feel that volume would be the best limiting factor since it would remain constant as opposed to the price (as is evident from the prices quoted by the consultants).**

**Rather than *dispute* their findings, we felt it best to *work with* their findings to develop this new license.**