



COUNTY OF HUMBOLDT

For the meeting of: 5/5/2020

File #: 20-523

To: Board of Supervisors

From: Agricultural Commissioner

Agenda Section: Consent

SUBJECT:

Approval of Amendment 1 to Cooperative Agreement No. 18-0684-000-SA, Industrial Hemp Cultivation Program in the amount of \$1,880

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve Amendment 1 to Cooperative Agreement No. 18-0684-000-SA, known as the Industrial Hemp Cultivation Program agreement;
2. Authorize the Chair to sign the agreement and return the agreement to the Agricultural Commissioner's Office for further processing; and
3. Grant a waiver from the provisions of the Nuclear Free Ordinance.

SOURCE OF FUNDING:

California Department of Food and Agriculture (CDFA)

DISCUSSION:

The waiver from the provisions of the Nuclear Free Ordinance is requested because the State of California will not modify its cooperative agreements to accommodate local ordinances. The Agricultural Commissioner's Office (CAC) receives annual subventions from CDFA to help offset the local cost of enforcing certain state-mandated programs.

The California Department of Food and Agriculture (CDFA) is the state agency with the primary responsibility for enforcing the Industrial Hemp Law as contained in Division 24 of the Food and Agricultural Code (FAC) and Title 3, Division 4, Chapter 8 of the California Code of Regulations. CDFA and the California Agricultural Commissioners and Sealers Association (CACASA) have entered a Memorandum of Understanding (MOU) to perform various activities associated with the state industrial hemp program. Under California law, agricultural commissioners are required to register growers and seed breeders of industrial hemp who meet state requirements for registration. Growers and seed breeders must submit a registration application to cultivate industrial hemp with a payment of \$900 to their local CAC. The payment and application are forwarded to CDFA for final review and processing. It is important to note that this is a county registration although CDFA provides

statewide oversight, deposits the registration payment, and develops the various documents used by counties. Registration funds will be distributed to agricultural commissioners through the mechanism of cooperative agreements to cover the actual costs of work performed by agricultural commissioners in the areas of registrations, enforcement for non-compliant cultivation by hemp growers and seed breeders, public outreach, and staff training.

This amendment to Cooperative Agreement No. 18-0684-000-SA provides an additional \$1,880 in funding to enforce state industrial hemp laws and regulations. This amendment also changes the scope of work to include additional county responsibilities for registration renewals. Costs associated with sampling, testing and destruction of non-compliant crops are not covered by this agreement. Costs for those aspects of the regulations will be charged to the grower directly according to the agricultural commissioner's schedule of fees for services (inclusive of staff time and mileage).

On Dec. 12, 2019, your Board approved a 1-year extension of the county's Industrial Hemp Cultivation Moratorium originally approved by your Board on May 21, 2019. This moratorium continues the prohibition of cultivation of industrial hemp in unincorporated areas of the county. In 2019, the CAC registered two producers with industrial hemp cultivation sites located in the cities of Arcata, Blue Lake, Fortuna and Rio Dell. This agreement reimburses the Commissioner's Office for state-mandated activities related to industrial hemp cultivation for those two registrations. Currently 25 counties have placed moratoriums on industrial hemp cultivation. Multiple other counties require setbacks or have placed additional local requirements on industrial hemp cultivation.

Senate Bill 153, which became effective on Jan. 1, 2020 made numerous changes to California's Industrial Hemp Law. Important changes include a mandate to submit to the United States Department of Agriculture a federally compliant California Industrial Hemp Program by May 1, 2020, and a requirement that applicants submit to criminal background checks in order to verify that they have not been convicted of any controlled substance related felonies in the 10 years prior to seeking an industrial hemp registration. Registration renewals have been mailed to 2019 program participants including information on the new requirements and changes coming as a result of the passage of Senate Bill 153.

As of Feb. 5, 2020, there were a total of 666 industrial hemp producer registrations in California. A total of 40,736 acres are registered for industrial hemp production. Counties with the most registrations are: Riverside (86) and San Diego (79), and most acreage: Kern (8,401) and Riverside (8,178).

FINANCIAL IMPACT:

Approval of the amendment to Cooperative Agreement No. 18-0684-000-SA will provide an additional \$1,880 in funding to Humboldt County to perform mandated Industrial Hemp Program activities for the period from April 30, 2019 to June 30, 2020. The original \$2,000 allocation provided by CDFA to Humboldt County for the Industrial Hemp Program was a placeholder amount since at the time it was unclear how much registration fee revenue would be generated and the how much reimbursable activities would occur in each county. Fees collected for new registrations and renewals are forwarded to the CDFA Industrial Hemp Program.

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Funding from the attached agreement will be received by budget unit 1100-261 (Agriculture). There will be no impact to the General Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by enforcing laws and regulations to protect residents.

OTHER AGENCY INVOLVEMENT:

CDFA

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board discretion

ATTACHMENTS:

One complete Amendment 1 to Cooperative Agreement No. 18-0684-000-SA, and Cooperative Agreement No. 18-0684-000-SA.

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-3

Meeting of: 8-20-19

File No.: 19-1177