From: Sal Pace

Sent: Wednesday, September 2, 2020 9:24 AM

To: Howard, Carmen Cc: Jordan Wellington

Subject: Cross Pollination Letter & ICR hemp study

Hi Carmen,

As the working group starts to discuss hemp cross pollination we wanted to resend the letter from this past April, which was co-signed by 29 cultivators. This could be of value to the group. Also, below is a link to the CSU-Pueblo IMPACT study. The pollen project starts on page 166...

 $https://mountainscholar.org/bitstream/handle/10217/192586/ICR\_TechReport2017-1.pdf? sequence=1\&isAllowed=y$ 

Let Jordan or I know if we can be helpful on any front.

Best, Sal Director Carmen Howard Pueblo County Planning & Development 229 W 12<sup>th</sup> St Pueblo, CO 81003

April 3, 2020

Dear Director Howard,

The world has changed dramatically over the last month as Covid-19 has reached every corner of the globe, including Pueblo. We are not immune or tone deaf to this immediate health crisis. In fact, these uncertain times make this letter more critical as we ponder the future of our businesses. Moreover, as marijuana farmers, we deem it essential to reach out now as Spring planting season commences.

Over the past six years Pueblo County has seen tremendous economic growth in the legal cannabis sector. Retail sales are sizable; and are close to hitting \$75 million in annual sales in Pueblo. But the most significant economic impact from cannabis in Pueblo has come from the wholesale cultivation market. According to the Marijuana Enforcement Division, Pueblo constitutes only 5% of the state's retail sales but our cultivations are authorized to grow more adult use marijuana plants than every other community except for Denver. Pueblo is the top exporting community for wholesale marijuana in the state. Raw product leaves our community and money returns here to Pueblo in the form of jobs, construction activity, real estate improvements and sizable tax revenue to local governments. Outside of electric power generation, cannabis pays more taxes to Pueblo County than any other industry.

Many new businesses were drawn to Pueblo because of the opportunity for outdoor and greenhouse cultivation, available land, ideal climate, gritty workforce, and favorable regulations. Pueblo helped to cement its leadership on cannabis policy when the Board of County Commissioners wisely looked at the problems caused by the real threats from cross pollination with hemp plants. We have invested millions of dollars in capital, both construction and human capital, and stand to lose millions of dollars if hemp cultivators are permitted to violate county regulations and pollinate our female plants. The prohibition of outdoor male hemp plants within five miles of licensed marijuana cultivations is critical to the ongoing viability of the Pueblo cultivation industry.

While Pueblo County had the forethought to adopt these hemp regulations, it is clear that they are not being followed. We have all seen undeniable scientific evidence that hemp pollen has impacted our marijuana farms during recent harvests, which would not occur in our gardens that exclusively contain female plant without outside contamination. Seeds have materialized within marijuana flower, which can significantly reduce the products' value. Further, pollinated plants produce less THC and have a reduced yield. The damage that is being done to our crops is real. Some operators believe their harvests have seen a thirty percent loss in value. This equals millions of dollars of lost economic activity to Pueblo County. These are millions of dollars that aren't spent on local construction projects, in restaurants, or on employee bonuses. It also costs Pueblo County government thousands of dollars in lost tax revenues. These impacts aren't just imaginary. A CSU-Pueblo Institute of Cannabis Research study released in 2017 funded by Pueblo County concluded that the threat of cross pollination is severe in our particularly arid region.

We'd like to do more than simply point out our concerns, hence we have some recommendations for Pueblo County to address these issues.

- We encourage Pueblo County to compare the State Department of Agriculture's list of registered hemp farms in Pueblo County to the County's Planning and Development list of farms with approved Zoning Compliance Review for Hemp (ZCRH). Farms that haven't completed a ZCRH should be made to be comply with the code's requirement.
- Pueblo County should notify all hemp farms within five miles of a licensed marijuana farm prior to planting season this Spring and regularly throughout the harvest season to remind them of Pueblo County's land use regulations that prohibit growing male plants outdoors.
- Pueblo County should create a formal process for filing complaints of suspected out of compliant hemp farms. Those hemp farms should be investigated and a mechanism to hold those out of compliance accountable must be created.
- Pueblo County should explore tools for controlling hemp plants growing as noxious weeds on previously operating hemp farms that are now dormant.
- Pueblo County should support hemp farmers by providing opportunities to have experts teach
  hemp farmers how to identify male plants that need to be eradicated. These same experts could
  also inspect these hemp farms later in the summer to assess compliance rates. While those
  found out of compliance should face enforcement, we would support incentivizing compliant
  businesses to better encourage better self-regulation. All of these expenses could be paid for
  out of marijuana cultivation fees to Pueblo County.

We hope that changes can take effect soon, before farmers start planting seeds in late Spring. We want to serve as a resource finding a solution to this very serious problem; and are happy to engage in further dialogue. If you have any questions, please contact Jordan Wellington at <a href="mailto:jordan@vsstrategies.com">jordan@vsstrategies.com</a> or 720-647-5660.

Sincerely,

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