

California Cannabis Manufacturers Association
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## Cannabis Manufacturers and Labor Announce Unprecedented Effort to Work Together to Shape Safe, Thriving New Industry

Sacramento, CA -- The California Cannabis Manufacturers Association today announced an unprecedented collaboration with the United Food and Commercial Workers Western States Council to build a sustainable industry that generates quality jobs, creates entrepreneurial opportunity and protects consumers and workers.

"By joining forces, CCMA and UFCW can work to ensure that California's cannabis industry will survive, and thrive, in its transition from black market to regulated market," said Jim Araby, Executive Director, UFCW Western States Council. "We will work together to ensure that California consumers have access to safe products and workers entering this new industry are afforded key protections, in addition to offering our expertise in developing career ladders and upward mobility to workers."

"Our chosen model has facilitated the growth of California's famed wine and craft beer industries. It will mean more choices for consumers and prevent a system that creates monopolies by powerful corporate distributors," said CCMA president Kenny Morrison. "More opportunities for distribution will yield an industry with many choices and price points for cannabis patients and consumers, and more jobs and tax revenue for California."

With passage of Proposition 64 legalizing adult use of recreational cannabis and promoting the legitimacy of medical cannabis, the production of cannabis products is now a burgeoning industry in California.

The UFCW is the only union representing cannabis workers in California. CCMA and UFCW advocate for a regulatory and tax framework that allows optimal choices for cannabis operators to move products from seed to shelf. Overly cumbersome requirements and fewer distribution options will lead to monopolistic power in the hands

of a few, resulting in more delays and less choices for cannabis patients, rapid cost inflation, reduced tax revenue, and ultimately, encourage black market diversion from the resultant bottlenecks.

"Incentivizing people to voluntarily transition to a regulated market is of critical importance. Creating these incentives while preserving supply chain integrity and consumer safety aren't mutually exclusive issues," says Morrison. "It's quite doable in the 21<sup>st</sup> century."

To impose a requirement that manufacturers use a third-party distributor will fracture the industry as it currently exists by forcing companies with preexisting infrastructure to cut jobs and divest their responsible business models that paved the way to legalization. Mandatory use of track and trace software by all licensees including the independent testing laboratories will provide the necessary controls to ensure supply chain integrity and consumer safety.

CCMA and UFCW members have been paying taxes and working closely with regulators for years to create laws for the cannabis industry.

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