

COUNTY OF SAN LUIS OBISPO DEPARTMENT OF PLANNING & BUILDING

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AG Cannabis Manufacturing Guidance Document

Cannabis Manufacturing as defined by the Land Use Ordinance (LUO): Cannabis Manufacturing (Non-volatile). The processing, production, preparation, propagation, holding, storing, packaging, labeling, or compounding of cannabis or cannabis products either directly or indirectly or by extraction and/or infusion methods, or independently by means of chemical synthesis or by a combination of extraction and/or infusion and chemical synthesis, using non-volatile organic or inorganic compounds (see "Cannabis Manufacturing (Volatile)"), at a fixed location, that packages or repackages cannabis or cannabis products, or labels or relabels its containers, and requires a Type 6, Type N, Type P, or Type S state manufacturing license. Cannabis manufacturing also includes any processing, preparing, holding, or storing of components and ingredients.

LUO Section 22.40.070.A says: "Cannabis manufacturing facilities in the Agriculture land use category are limited to the <u>processing</u> of the raw cannabis materials grown onsite."

ALLOWED

Cutting, trimming, chopping, grinding (or similar processes) of raw cannabis material for marketing or further manufacturing (at another location) is allowable. Extracting cannabis byproducts from raw cannabis by mechanical or distilling means for marketing or further manufacturing (at another location) is allowable. Storing, packaging and labeling of cannabis materials grown onsite is also allowable.

NOT ALLOWED

Cannabis manufacturing in the Agriculture land use category is limited to the processing of raw materials grown onsite. Therefore, combining raw cannabis with other ingredients or compounding cannabis extractions with other ingredients to create a product for consumption or use by the enduser, or to create an intermediate product to be used in manufacturing at a different location is not allowed.

The allowable activities described above are similar to those found the LUO definition of Ag Processing (see below). The disallowed activities are similar to those found in the LUO definition of Chemical Products Manufacturing (see below). Ag Processing is an allowed use in the Ag land use category, while Chemical Products Manufacturing is not allowed in the Ag land use category, but rather is allowed in the Industrial or Commercial Service land use category.

Ag Processing (land use). Establishments performing a variety of operations on crops after harvest, to prepare them for market on-site or further processing and packaging at a distance from the agricultural area including but not limited to: alfalfa cubing; hay baling and cubing; corn shelling; drying of corn, rice, hay, fruits and vegetables; pre-cooling and packaging of fresh or farm-dried fruits and vegetables; grain cleaning and custom grinding; custom grist mills; custom milling of flour, feed and grain; sorting, grading and packing of fruits and vegetables, tree nut hulling and shelling; cotton ginning; wineries, production of olive oil without the use of solvents, alcohol fuel production; and receiving and processing of green material, other than that produced on-site (commercial composting). Green material is any wastes which are derived from plant material, including but not limited to, leaves, grass clippings, weeds, tree trimmings or shrubbery cuttings. Note: any of the above activities performed in the field with mobile equipment not involving permanent buildings (with the exception of the receiving and processing of green material other than that produced on-site) are included under "Crop Production and Grazing." Olive oil produced with the use of solvents is included under "Food and Beverage Products".

Chemical Products Manufacturing (land use). Manufacturing establishments producing basic chemicals and establishments creating products predominantly by chemical processes. Establishments classified in this major group manufacture three general classes of products: (1) basic chemicals such as acids, a alkalies, salts, and organic chemicals; (2) chemical products to be used in further manufacture such as synthetic fibers, plastic materials, dry colors, and pigments; and (3) finished chemical products to be used for ultimate consumption such as drugs, cosmetics, and soaps; or to be used as materials or supplies in other industries such as paints, fertilizers, and explosives. Also includes sales and transportation establishments handling the chemicals described above in other than one of the uses incurred in the Retail Trade Group on Table O.