



# Board Agenda Item 39

DATE: April 7, 2026

TO: Board of Supervisors

SUBMITTED BY: Melissa Cregan, Agricultural Commissioner/Sealer of Weights and Measures

SUBJECT: Revenue Agreement with the California Department of Food and Agriculture

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Chairman to execute a revenue Agreement with the California Department of Food and Agriculture for the Evaluation and Remediation of Illegal Hemp Cultivation, Agreement No. 24-0827-005-SG, effective upon execution by all parties through January 31, 2028, with a total reimbursement amount of \$25,000; and**
- 2. Approve and authorize the Agriculture Commissioner/Sealer of Weights and Measures to approve and execute amendments to the recommended Agreement on behalf of the County, provided that any increase or decrease does not exceed the greater of 15% of the Agreement maximum or \$10,000, subject to approval as to legal form by County Counsel, and approval as to accounting form by the Auditor-Controller/Treasurer-Tax Collector.**

There is no additional Net County Cost (NCC) associated with the recommended actions. Approval of the first recommended action will allow the County to enter into the recommended Agreement with the California Department of Food and Agriculture (CDFA) to reimburse the Department's costs for activities related to the evaluation and remediation of illegal industrial hemp cultivation.

Due to programmatic changes and fluctuations in available funding, the maximum compensation of the recommended Agreement may need to be amended. Approval of the second recommended action will allow the Agriculture Commissioner/Sealer of Weights and Measures (Commissioner) to approve and execute amendments to the recommended Agreement on behalf of the County, provided that any increase or decrease does not exceed the greater of 15% of the Agreement maximum or \$10,000. This item is countywide.

ALTERNATIVE ACTION(S):

If your Board does not approve the first recommended action, the Department will not receive funding from CDFA to reimburse costs associated with mandated activities related to industrial hemp cultivation.

If your Board does not approve the second recommended action, the Department will bring each amendment to the recommended Agreement before your Board for consideration.

FISCAL IMPACT:

There is no increase in NCC associated with the recommended actions. Regarding the first recommended action, the County will receive approximately \$25,000 in revenue from CDFA to fund activities related to inspection of industrial hemp. The second recommended action will save administrative resources required

to process amendments below a specific dollar amount, which are typically estimated in each year's Adopted Budget. Sufficient appropriations and estimated revenues are included in the Agriculture Org 4010 FY 2025-26 Adopted Budget and will be included in the FY 2026-27 and FY 2027-28 Recommended Budget requests.

DISCUSSION:

California implemented its industrial hemp cultivation program in April of 2019 under the oversight of CDFA. The Department has enforced state laws and regulations pertaining to industrial hemp cultivation since 2019 with funding provided by CDFA through the Industrial Hemp Cultivation Program agreement. Funds from this agreement can only be used for activities related to the registration of industrial hemp cultivators, enforcement activities of non-compliant plantings by non-registered cultivators, and administrative and public outreach activities.

The recommended Agreement with CDFA provides funding to conduct enhanced monitoring and enforcement activities for industrial hemp cultivators. To ensure compliance with all relevant industrial hemp laws and regulations, these activities broadly include cultivation site inspections, enforcement activities of non-compliant plantings by registered cultivators, and training. Prior to the recommended Agreement, there has been no funding for these activities.

Since 2012, the Board has annually authorized the Commissioner to execute certain routine revenue agreements, including related amendments that increase or decrease the maximum agreement amount by up to 15% or \$10,000. Approval of the second recommended action will continue this practice by authorizing the Commissioner to execute amendments to the maximum recommended Agreement amount. All revenue agreements shall continue to be reviewed and approved by County Counsel and the Auditor-Controller/Treasurer-Tax Collector, regardless of your Board's action.

The recommended Agreement deviates from standard County language in that it includes mutual liability. The Department believes this is an acceptable business risk.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement No. 24-0827-005-SG with CDFA

CAO ANALYST:

Amy Ryals