

Title 3. Food and Agriculture
Division 10. Cannabis
Chapter 2. Cannabis Appellations Program

Notice of Proposed Rulemaking

Notice is hereby given that the Department of Food and Agriculture (Department) proposes to adopt the amended regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

Public Hearing

The Department has not scheduled a public hearing on this proposed action. However, the Department will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

Written Comment Period

Any interested person, or their authorized representative, may submit written comments relevant to the proposed regulatory action by mail or email to:

California Department of Food and Agriculture
Office of Agricultural Resilience and Sustainability
1220 N Street, Sacramento, CA 95814
E-mail: CannabisAg@cdfa.ca.gov

The written comment period closes at midnight on **Tuesday, February 17, 2026**. The Department will consider only comments received by that time.

Authority

Business and Professions Code section 26063.

Reference

Business and Professions Code sections 26063.

Informative Digest / Policy Statement Overview

Summary of Existing Laws and Effect of the Proposed Action

The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) (Bus. & Prof. Code, § 26000 et seq.) generally governs commercial cannabis activity in California. BPC section 26063 requires Cdfa to establish a process by which cultivators may establish appellations of origin (appellations) for cannabis and includes

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specific limitations on use of an appellation in commercial cannabis activity.

The provisions of California Code of Regulations (CCR), title 3, division 8, chapter 2 further implement, interpret, and make specific BPC Section 26063. These existing laws detail applicable terms, the process and required elements of a petition to establish an appellation of origin, and the requirements to use an appellation in commercial cannabis activity. These laws apply only to commercial cannabis license holders voluntarily participating in the appellations of origin program.

The Department is proposing amendments to sections 9000 under Article 1, and 9100 and 9102 under Article 2, of Chapter 2, Division 2, of Title 3 of the CCR, to revise the number of cultivators required for petition submission from 3 to 1. This change increases the opportunities for cultivators to petition to establish an appellation of origin. The Department is also proposing to adopt section 9204 under Article 3 to provide clarity on when statutory requirements against misuse of an appellation of origin are in effect after Department approval and provide licensees meeting specific conditions of historical use of a name continued use for a limited period. Finally, proposed amendments correct errors in sections noted for Authority and Reference in section 9101 under Article 2.

Evaluation of Inconsistency with Federal Laws

The United States Drug Enforcement Administration under the Controlled Substances Act lists cannabis as a Schedule 1 Drug. This means that commercial cannabis activity is illegal under federal law. However, California, through the MAUCRSA and other laws, has decriminalized the cultivation, sale, and possession of cannabis goods for persons aged 21 or older and for medicinal patients.

Objectives and Anticipated Benefits of the Proposed Regulations

The objective of this action is to strengthen the regulatory framework of the appellations program to achieve the potential benefits from an appellation of origin program (e.g., improved rural economies). These proposed changes encourage development of petitions to establish appellations of origin by reducing the required number of cultivators to submit a petition. The program is also strengthened by providing more clarity on when statutory protections against misuse of an appellation are in effect and identifying specific conditions that are not considered misuse. A successful Cannabis Appellations Program benefits the public by incentivizing cultivator participation in the legal marketplace directly benefiting the state's environment and revenue.

Evaluation of Inconsistency/Incompatibility with Existing State Regulations

The Department evaluated the proposed changes for inconsistency or incompatibility with existing regulations. The Department of Cannabis Control implements regulations related to use of an appellation of origin on cannabis through labeling restrictions codified in CCR, title 4, division 19, chapter 1, §17408 (a) (6) which states:

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(a) Cannabis goods labeling shall not contain any of the following:

- (6) Any statement or indication of an appellation of origin if the cannabis or cannabis product does not meet the requirements of the program established pursuant to Business and Professions Code section 26063.

The Department has determined that the proposed regulations are not inconsistent or incompatible with this existing regulation. The proposed revisions are intended to add clarity to the requirements of the program referenced in section 17408. After conducting a review for any regulations that would relate to or affect this area, the Department further concluded that these are the only regulations that concern the Cannabis Appellations Program.

Disclosures Regarding the Proposed Action

The Department has made the following initial determinations:

- Mandate on local agencies or school districts: None.
- Cost or savings to any state agency: There is a cost to the state to administer the appellations program. There is no additional cost to the state in changing the petitioning requirement. There is a minor increase in administrative workload related to proposed effective date regulations. The additional effort is easily incorporated into existing petition review processes and thus the additional cost is de minimis. The proposed changes to the regulations are anticipated to increase participation in the program, offsetting some of those costs. Overall fiscal impact on the Department is anticipated to be neutral. The proposed regulations are not expected to have any fiscal impact on any other state agencies.
- Cost to any local agency or school district required to be reimbursed in accordance with Government Code sections 17500 through 17630: None.
- Other nondiscretionary cost or savings imposed upon local agencies: None.
- Cost or savings in federal funding to the state: None.
- Significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states: None.
- Cost impacts on a representative private person or business: Participation in the cannabis appellations program is voluntary. Thus, there are no mandated costs on cannabis businesses. There is a cost to establish an appellation, but any additional costs to use that appellation will be determined by the cultivators' proposal in the petition to establish the appellation (e.g., cultivator costs with a required certification). Those costs are not increased by these proposed amendments to the existing regulations. Consumers may choose cannabis

produced in an appellation that might be more expensive, but they will also have the choice to purchase cannabis produced outside of the appellations program. The transition period included in the effective date regulations is intended to mitigate potential relabeling costs to commercial cannabis businesses.

- Effect on housing costs: None.

Results of the Economic Impact Assessment

The Department concludes that the proposal is unlikely to create or eliminate any jobs, create any new businesses, eliminate any existing businesses, or result in the expansion of businesses currently doing business in the state. Further, the Department believes that California's environment, worker safety, and the health and welfare of California residents all benefit indirectly from increased cultivator participation in the well-regulated commercial cannabis marketplace. Illegal cannabis production continues to pose challenges for California, undermining the regulated market because the cannabis may not be produced according to the strict requirements and associated costs with compliant production. Examples of the many benefits to all Californians from a well-regulated cannabis market include compliance with environmental regulations associated with licensure, tax revenues from sale of legal products, the public health of consumers benefiting from pesticides and harmful materials testing requirements on legal cannabis products, and workers in the legal cannabis industry benefiting from required compliance with worker safety regulations and fair labor practice laws. The proposed revisions to the regulations strengthen the appellation program providing a stronger incentive to outdoor cultivators to participate in the legal marketplace, a benefit to all Californians.

Determination of Effect on Small Business

Participation in the appellations program is voluntary and so there is no mandated impact on small businesses. There may be a positive effect on small businesses. California Business and Professions Code section 26063 requires specific cultivation practices (i.e., full sun and in the ground) that are most associated with small cannabis farms. The appellation of origin program will provide a tool to those small businesses for collective marketing of cannabis from their region. The proposed amendments are intended to strengthen that tool.

Consideration of Alternatives

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more

cost-effective to affected private persons and equally effective in implementing the statutory policies or other provisions of law.

Alternatives to the proposed changes considered during their development are presented in the Initial Statement of Reasons. The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period

Contact Persons

Inquiries concerning the proposed rulemaking action may be directed to:

Eric Duran
Department of Food and Agriculture
Office of Agricultural Resilience and Sustainability
1220 N Street, Sacramento, CA 95814
916-387-5887
CannabisAg@cdfa.ca.gov

The backup contact person for these inquiries is:

Francis Bean
Department of Food and Agriculture
Office of Agricultural Resilience and Sustainability
1220 N Street, Sacramento, CA 95814
916-387-5853
CannabisAg@cdfa.ca.gov

Availability of Statement of Reasons, Text of Proposed Regulations, and Rulemaking File

The Department will make the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of the Notice of Proposed Action, the proposed text of the regulations, the Initial Statement of Reasons, and the STD 399. Please direct requests to inspect or copy the rulemaking file to the contact person(s) listed above.

Availability of Changed or Modified Text

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this notice. If the Department makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before adopting the regulations as revised. Please direct requests for copies of any modified regulations to the contact person(s) listed above. The

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Department will accept written comments on the modified regulations for the duration of the period of public availability.

Availability of The Final Statement of Reasons

Upon its completion, the Department will make copies of the Final Statement of Reasons available. Please direct requests for copies to the contact person(s) listed above.

Availability of Documents on the Internet

Copies of the Notice of Proposed Action, the Initial Statement or Reasons, and the text of the regulations with modifications highlighted, as well as the Final Statement of Reasons, when completed, and modified text and notices thereof, if any, may be accessed via the Department's website at <https://www.cdfa.ca.gov/oefi/cap/>.