

NEWS

CDZI

CADIZ, INC. | APRIL 2021

WELCOME SPRING

DROUGHT NEWS

**SUSAN KENNEDY
JOINS THE TEAM**





Dear Shareholders:

Spring - the season of renewal - is finally here. With its arrival comes hope we will all see brighter days ahead as we emerge from the shadow of COVID-19. At Cadiz we have much to look forward to and we also stand ready to meet the challenges that lie ahead.

Spring has brought the Cadiz Ranch to life and things are growing beautifully. We have over 2,000 acres of fruit, vegetables and hemp flourishing, including 640 acres of Limoneira's special pink lemons and 200 acres of purple cabbage, carrots, asparagus, and broccoli. Produce markets are recovering from the pandemic and our farming partners have renewed enthusiasm for 2021.

Our hemp trial crop has returned this spring on 60 acres as we continue to develop the best sun-grown varieties to enter the CBD products market. Our research program with local Victor Valley College to establish best practices for successful desert hemp has also been renewed as we work together to give students practical experience in the cannabis industry. You can read more about our progress in a recent Seeking Alpha interview featuring me and our SoCal Hemp partner Graham Farrar, included inside.

We are intrigued by the retail distribution prospects of our hemp derived CBD and its potential use through the forbidden flower brand. We are also pleased to see the \$567M SPAC announced by Glass House Group earlier this month. The intention of creating a 50-state reach for CBD products along side Glass House full range of cannabis derived products is precisely why we thought the SoCalHemp joint venture made such great sense.

In addition to our active agricultural development, we have continued our efforts to focus on highlighting for our shareholders and new investors our commitment to our mission and our governance best practices. Last month, we proudly welcomed a new board member, Susan P. Kennedy – a distinguished leader with diverse experience in the public and private sector. I am thrilled Susan is now on our team. She brings a wealth of knowledge of sustainable resource management and is already making a difference at Cadiz.

We also celebrated the board service of retiring members Murray Hutchison and Richard Nevins to whom we are grateful for their dedication to our mission and continued hard work.

Our Board committees have also made updates to their Charters and membership has been re-aligned to better reflect the skill sets necessary to achieve each committee's objectives. The Corporate Governance and Nominating Committee will now more explicitly oversee management's sustainability initiatives, the newly renamed Audit and Risk Committee will incorporate additional risk management responsibilities, including information security, and the Compensation Committee will oversee our human capital management and talent development initiatives.



Collectively, these governance actions reflect our intention to align our management and Board with the common purpose of executing on our strategy of putting our vast land, water and now pipeline resources to work and proceeding with our objective of helping the State meet the needs of more than 1 million Californians that are presently without clean, reliable drinking water.

Our groundwater production wells produce substantial quantities of groundwater from the underlying aquifer and water levels are at their highest levels since we began measuring. Nevertheless, the Fenner Valley aquifer system remains full and loses 10 billion gallons of fresh water per year to evaporation from the Cadiz and Bristol Dry-Lakes. This occurs at a time when California has limited deliveries from the State Water Project to 5% of capacity and the federal Central Valley Water Project is being held at zero deliveries south of the Delta. Meanwhile, water is also short on the Colorado River, and water levels at Lake Mead on the Colorado River are crashing - shortage sharing is being implemented among Arizona, Nevada and Mexico. California is not too far behind.

Against this backdrop, we are committed to our mission of finding innovative ways to be part of the solution to California's water crisis. We believe our court-validated right to produce 2.5 million acre-feet of fresh groundwater for beneficial uses, plus our ability to safely store one million acre-feet in the underlying groundwater aquifer combined with our infrastructure assets, including the recently acquired 220-mile Northern Pipeline, will enable us to play an important role in connecting willing buyers and sellers to move water from where it is to where it is needed. These are important and valuable assets that can benefit many.

At the same time, we are keenly aware that the use of these assets, like all projects that seek to provide new water, are resisted at every turn by groups that would prefer to deny clean, reliable water and badly needed fair housing to Californians. The cruelty of their intention – to deny people water - is masked by ever-changing allegations intended to create roadblocks to project completion. We meet each new claim with data and facts. Our response to these challengers will continue to be open, transparent and sufficient to pass every test. No matter the challenge, we will stay the course and will be triumphant in our mission to sustainably manage our land and water resources while delivering reliable water access to California communities most in need. Californians and our shareholders deserve no less.

Continued best wishes to you and yours,

Scott Slater | Cadiz, Inc. CEO





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DROUGHT OUTLOOK

**THIS YEAR, CALIFORNIA'S DROUGHT OUTLOOK
DESERVES OUR FULL ATTENTION**

MARCH 23, 2020

BY SCOTT SLATER, CEO, CADIZ INC.

Today, most Californians find themselves staring down another drought declaration and will likely do so again several times before mid-century. This uncertain situation is exacerbated by the reality that more than 1 million Californians are without reliable access to clean, affordable water. Climate change is telling us limits on traditional supplies can and will continue and we must be innovative in our work to move water between communities that need it and to ensure it can happen safely and successfully in any hydrological year.

Cadiz land position, water resources and infrastructure are unique, and Cadiz is the only private sector company in California that that has considerable opportunity, capability and commitment to materially address the water needs of our communities, homes, families and businesses with new supply, storage and conveyance – on demand – for the next 50 years.

From the start, Cadiz saw an extraordinary opportunity to improve the conditions and quality of the life of Californians. Mark Twain famously said, "Whiskey is for drinking, and water is for fighting over," and while the fighting ensued in California, Cadiz sensed that with innovation and creativity, there could be solutions in place of conflict. We sought to demonstrate that private and public interests can converge, and we have done so. Our team has brought forward exceptional innovation to replace a vexing and rancorous policy debate with visionary answers. The resolutions we present today are even more important given the environment that the years and weather have left us no choice. Epitomized by 2021.

When the year 2020 came to an end, the State Water Project announced a 10 percent initial allocation for its contractors. In February, its federal counterpart, the Central Valley Project, announced that allocations for south of Delta water users would be even worse, at five percent. These are crippling shortages that cannot be simply overcome, as in decades past, by full reliance on groundwater as primary cover for lack of surface water. Groundwater supplies rapidly became depleted, sopped up for use when other sources left the system. Hence, it did not take long before groundwater transformed into the obvious soft underbelly of our water infrastructure, and carte blanche access to local groundwater was revoked in January 2020 under the Sustainable Groundwater Management Act. Now groundwater basins must adhere to some reasonable notion of balancing supply and demand to avoid further harm to the resource.



Who among us has not heard the repeated call not to “waste water?” Water conservation is woven into the ethic of Californians, especially in newer generations. And here in California, it's the law because the voters adopted a constitutional amendment requiring the efficient capture, distribution and use of water. That effort has proven wildly successful by reducing consumption by hundreds of thousands of acre feet. But water conservation is not, by itself solving the supply problem. The looming issues that threaten communities and individuals also threaten agriculture, because without reliable water, farming in California as we know it will be sacrificed.

But drought-induced conservation, or mandatory rationing, is not a long-term solution either. It does not end long-term supply shortages, and it's focus on sharing pain of drought hurts the most vulnerable of our citizens. When water sales are reduced through rationing, these fixed costs are spread over lower volumes and rates spike. Consumers pay more for less water – the least common-sense answer to this problem – impacting those on fixed incomes. Such shortages and corresponding rate spikes can often be prevented by meaningful investments in supply, storage and conveyance instead of relying on cutbacks and hoping for the next wet year. The time to do so is now.

Colorado River supplies are in doubt. Both Lake Powell and Lake Mead, from which California receives her California River entitlement have been projected to reach their lowest levels since they were filled decades ago.

The US Bureau of Reclamation reports that “open-water evaporation is a significant loss of water from Lake Mead. From 1953-1994, evaporation from Lake Mead was estimated to be 6.4 ft/year or about 791,000 acre-feet/year (based on average surface area of 125,600 acres.)”

The Delta Conveyance Project offers a necessary long-term solution to the systemic challenges of delivering water north to south. But it remains caught up in state and federal environmental clearances with a huge price tag of \$15.9 billion, which must be partially funded before water is delivered. Without it, the State Water Project supplies will be forever limited.

The California Water Commission began its own process last December to evaluate the subject of water conveyance in California more broadly in and the opportunity for public funding and support. But such an effort is still pending.



So, returning to my message at the beginning of this statement, Cadiz is the only private company in California that has considerable assets to share in helping to address the State's needs of new supply, storage and conveyance with cost-effective solutions. Surrounded by federal land, our aquifer system is fully protected against development, contamination or competing groundwater use. The Company has permits to safely and add 50,000 acre-feet per year for 50 years into California's water supply system. Up to 1M acre-feet of imported water can be stored, for a period of up to 10 years, without evaporative losses.

We have not been idle, implementing the Project over the past two years, increasing our groundwater monitoring, and constructing wells to meet the needs of farming on our overlying land as well as off-property municipal and industrial uses. Three new wells alone can reliably pump and deliver up to 10,000 acre-feet per year.

Cadiz is also prepared to dramatically improve the state's water conveyance network through its acquisition of a 220-mile pipeline from El Paso Natural Gas (“EPNG”). The pipeline lies within an extensive right-of-way corridor that runs over federal land and, we were pleased to see EPNG's Right of Way (ROW) was renewed in 2020 along with an assignment of EPNG's ROW to Cadiz. This and another new ROW that expressly authorized the conveyance of water have presented an opportunity to interconnect California's main water infrastructure for the first time.

This pipeline crosses the State Water Project in two locations, the Los Angeles Aqueduct while traversing large portions of San Bernardino, Los Angeles and Kern Counties. We look forward to using this pipeline to work with public agencies and willing transferors to move water and assist others in providing aid to rural communities that presently lack access to clean reliable water as permitted under state and federal laws. But at least the bottleneck in conveyance would no longer be a barrier for this route and a great public service.

'Wait till next year' is the refrain of teams that lose the World Series or the Super Bowl. But those contests do not have the same consequences for hundreds of thousands of families, or businesses or communities seeking to survive. Cadiz has strived for solutions that can be put into a complex system that can make our State a better place in which to live and not be relying on the most unreliable thing that time bestows on us: the weather.

No Californian should be without access to water, especially when solutions stand ready to deliver. We are hopeful about the opportunities to make meaningful change and seek to inspire the private sector to mobilize along with us for the public good.



CADIZ, INC.

ISSUES STATEMENT ON NEW LAWSUITS FROM OPPONENTS OF WATER ACCESS TARGETING COMPANY'S REPURPOSING OF IDLE OIL & GAS PIPELINE

ANNOUNCEMENT | MARCH 23, 2021

Lawsuits by Growth Opponents Seek to Undercut the Needs of Communities in Underserved Area of California and Deny their Use of an Idle, Existing Pipeline to Convey Water for the Public Benefit

(Los Angeles, California) – Cadiz Inc. (“the Company”, NASDAQ:CDZI), a California business dedicated to sustainable water and agricultural projects, reported that two lawsuits were filed today in federal court by longtime litigants of its Cadiz Water Project, including the Center for Biological Diversity, Sierra Club and National Parks Conservation Association, challenging the US Bureau of Land Management’s recent assignment and grant of right-of-way permits to the Company to convey water, oil or natural gas over BLM-managed lands in an existing idle 217-mile pipeline acquired by the Company from El Paso Natural Gas (“EPNG”). Under agreements with EPNG first entered in 2011, Cadiz has sought to acquire the idle pipeline for the purpose of augmenting east-west water conveyance opportunities along this underserved, growing area of California. Cadiz Inc. is not a named party in the lawsuits.

The Company issued the following statement:

“While we will not comment on the pending litigation to which we are not a named party, we are deeply saddened but not surprised by the latest attempts by opponents of new water supply to delay and obstruct federal permits that could augment California’s water supply infrastructure, especially as the State is staring down another drought and continues to have more than 1 million people without reliable access to clean water.

The parties that filed the lawsuits have repeatedly filed legal challenges to permits granted for Cadiz’s water projects and Cadiz has prevailed in each of the six cases, at trial and on appeal. They also routinely oppose virtually every water supply and infrastructure project in California. These opponents callously disregard the needs of communities benefitted by improved access to clean, reliable water supplies in their relentless efforts to deny economic opportunity, fair housing, and affordable water to all Californians. Rather than openly oppose affordable housing, they hide behind pretextual environmental claims.

In this instance, Cadiz has been working for five years to ready an idle, already constructed oil and gas pipeline to use for the better environmental purpose of transporting needed water between disadvantaged and underserved communities in Inland California. A need acknowledged by all. Repurposed for water transportation, the idle oil and gas pipeline that is already in the ground has the potential to benefit tens of thousands of people. Any specific activity to convey water in the line would be subject to all applicable state and federal laws.

Members of the organizations funding these lawsuits and spreading the misinformation about the pipeline’s use should be ashamed of the frivolous spending of their dues to fund attacks on water access in California.

Cadiz is confident that the two lawsuits that were filed today challenging BLM’s decisions are without merit and will continue its efforts whole-heartedly to make the existing pipeline available to communities in need.”

ABOUT

THE CADIZ NORTHERN PIPELINE



- 30" diameter steel pipeline buried within a 50-foot-wide, 220-mile long corridor extending northwest from Cadiz thru Barstow, across the Antelope Valley and terminating at the southern end of the Central Valley near Wheeler Ridge, California.
- The pipeline was constructed in 1985 as a segment of the All American Pipeline, a 1,200+ mile petroleum products line that runs from Texas to the California Coast.
- The All American Pipeline was acquired by El Paso Natural Gas in 2001 and converted to a natural gas pipeline. In 2005, EPNG removed the 220-mile, Cadiz-to-Wheeler Ridge segment from service. The segment was cleaned and has remained idle since that time.
- In 2011, following feasibility assessment and due diligence, Cadiz optioned the idle 220-mile pipeline segment from EPNG with intention to use the pipeline for water conveyance. The 30" pipeline has the capacity to convey approx. 18 -25,000 acre-feet of water per year between cities along the route.
- The pipeline corridor has few surface features and is adjacent to existing roads, railroads, and other pipelines. Communities along the route have experienced rapid rates of growth and lack reliable access to water supplies and infrastructure.
- In 2014, Cadiz purchased the first part of the line (Cadiz – Barstow: 96 miles) and retained options to a second segment from Barstow to Wheeler Ridge (124-miles). To complete the purchase of the route, Cadiz required Kinder Morgan to transfer rights to Cadiz to operate the line for water conveyance.
- EPNG filed an application with the US BLM in 2014 to renew its 1,200-mile right-of-way, including the 220-mile portion being acquired by Cadiz. The process to renew, then assign and grant rights to Cadiz to the 220-mile segment lasted six years.
- On December 21, 2020, BLM issued a decision granting to Cadiz two rights-of-way. The first assigned EPNG's existing rights to convey oil/natural gas in the 220-mile segment and the second granted a new right-of-way over top adding water as a permissible substance in the line consistently across all BLM-managed lands crossed by the pipeline segment.
- The rights-of-way were issued by BLM in accordance with NEPA. The assignment of existing rights and addition of water as a permissible substance in the existing pipeline will not adversely impact the environment.
- In the decade since Cadiz first contemplated acquisition of the pipeline segment, California's lack of reliable access to water for all Californians, especially disadvantaged communities, has grown in significance as a public policy issue for the state. Institutions focused on this issue have identified more than 1 million Californians who lack access to clean, safe, reliable water particularly in underserved areas such as the areas along the Northern Pipeline route.
- It is expensive and difficult to permit new water infrastructure. The Northern Pipeline can diversify options for communities along the route.



SO CAL HEMP

GLASS HOUSE VENTURE GROWS HEMP IN MOJAVE DESERT

BY HOWARD FINE - LABJ | APRIL 19, 2021

Long Beach-based cannabis company Glass House Group had been looking for a place to grow cannabis without the residential opposition it has periodically encountered with its major cultivation operation near Carpinteria.

And 18 months ago, it found that location: in the middle of the Mojave Desert, miles from civilization. The land is owned by downtown-based water infrastructure developer Cadiz Inc. and sits atop an aquifer.

Glass House and Cadiz formed a joint venture in late 2019 to grow hemp on the property, with an eye toward turning the hemp into an array of usable products, from cannabidiol, or CBD, oils to chewable gummies. They were taking advantage of a new law enacted by Congress as part of the 2018 farm bill that legalized hemp production nationwide.

“Among the benefits of growing cannabis in the desert aquifer was the distance from residents and the relative lack of crop pests,” said Graham Farrar, president of Glass House Group and chief executive of the joint venture, known as SoCal Hemp. “There aren’t many places in California where you have those conditions.”

For Cadiz, the venture was a chance to monetize its landholdings as the company’s 25-year quest to pump water from the aquifer and transport it via pipeline to water agencies throughout California had encountered a new round of delays. The state legislature, responding to pressure from environmental groups, had passed a law requiring another layer of environmental review.

The first test for the joint venture was to see if hemp could be grown in the harsh desert environment. In early spring 2020, SoCal Hemp planted a test crop on 200 acres of the Cadiz property, using water pumped up from the aquifer and pushed through a newly installed drip irrigation system.

But as the growing season for the test crop went on, wind emerged as a problem.

“We had to install windbreaks, which was something we were not used to doing with our other cultivation sites,” Farrar said.

The harvest of the first test crop proved a success, yielding hundreds of thousands of pounds of dried hemp. The hemp was then shipped off to a third-party processing plant in Klamath Falls, Ore., where it has been turned into CBD oil and other products Glass House Group can sell in its four retail outlets in the state and distribute to other retailers.

“We proved you can grow hemp in the desert at scale,” Farrar said.



But for SoCal Hemp, that may be the easy part. Its toughest challenge may lie ahead as it tries to find markets for its hemp-derived products.

That's because there is now a hemp glut.

“We saw an influx of businesses starting ventures during the boom of hemp activity in 2019,” said Michelle Mabugat, a cannabis industry legal consultant who is now of counsel with the Century City office of Greenberg Glusker Fields Claman & Machtinger. “In 2019, farmers overproduced hemp in anticipation of high demand for CBD; in retrospect, that demand was overhyped.”

The result, she said, is that a consolidation is now under way among hemp producers.

The SoCal Hemp venture may be helped by a recent development involving Glass House Group. On April 8, the company announced it was being acquired as part of a \$567 million deal by Toronto-based Mercer Park Brand Acquisition Corp., a special purpose acquisition company founded in 2019 to establish a major marijuana brand. Mercer Park plans to take its acquisition public on the Toronto Stock Exchange.

“We will be better funded to go bigger and at bigger scale than before,” Farrar said of the deal.

Mabugat said this additional capital base may give SoCal Hemp more ability to withstand the current contraction in the hemp production market.

“An operation the size of SoCal Hemp would presumably permit it to take more risk and weather the downturn in the market,” she said.

CADIZ INC. ANNOUNCES APPOINTMENT OF SUSAN P. KENNEDY TO ITS BOARD OF DIRECTORS

MARCH 26, 2021

Kennedy brings more than 30 years of public and private sector experience and background in sustainable resource management, including her former role as Commissioner of the California Public Utilities Commission and Member of the California Bay-Delta Authority

(Los Angeles, California) - Cadiz Inc. ("the Company", NASDAQ:CDZI), a California business dedicated to sustainable water and agricultural projects, is pleased to announce Susan Kennedy's appointment to the Company's Board of Directors. Kennedy brings more than 30 years of relevant public and private experience, including her roles as former Commissioner of the California Public Utilities Commission, former Chief of Staff and Cabinet Secretary to two California governors, former member of the California Bay-Delta Authority, and as founder and CEO of renewable energy start-up Advanced Microgrid Solutions, which was acquired by AES/Siemens in 2020.

"I am extremely pleased to welcome Susan to the Company's Board of Directors," said Scott Slater, Cadiz CEO and Board Member. "Susan is an accomplished and well-respected leader with a diverse background as a CEO, government regulator and consensus builder, particularly in the water and renewable resources sectors. That experience will help guide Cadiz in our commitments to provide clean, reliable, and affordable water to Californians and be of significant benefit to our Board and our shareholders."

"I am delighted to join the Cadiz Board at this exciting time," said Kennedy. "The Company has great potential to make meaningful contributions to addressing California's water challenges particularly in communities underserved by the State's traditional water supply system. I am excited to get to work and contribute my expertise to this important effort."

Kennedy's appointment to the Board comes as Cadiz also announces that Board members Murray Hutchison and Richard Nevins, who have honorably served since 1997 and 2016 respectively, will retire at this year's Annual Meeting of Stockholders in June and not stand for re-election.

"We warmly welcome Susan to our Board and also want to express our sincere thanks to Murray Hutchison and Richard Nevins for their distinguished service and the outstanding contributions they both made to Cadiz during their tenure," said Keith Brackpool, Chairman of the Board.



Kennedy's appointment to the Board is effective immediately and comes at an important time for Cadiz, as the Company continues to expand its water and agricultural footprint in California. Cadiz is focused on advancing its commitments to provide sustainable water and groundwater storage to communities who would benefit from additional access to reliable water supplies.

Kennedy will join the Board's Compensation Committee and the Corporate Governance and Nominating Committee, which oversees the Company's public affairs and environmental, social and governance policy practices.

In a separate action, the Board of Directors also re-aligned its committee membership, naming Maria Echaveste the new Chair of the Corporate Governance and Nominating Committee, Winston Hickox the new Chair of the Compensation Committee and Steven Courter as continuing Chair of the newly named Audit and Risk Committee, which amended its Charter to provide specific risk oversight duties.

Richard Nevins and Murray Hutchison will continue to serve on the Board until the Annual Meeting of Stockholders scheduled for June 2021.

Susan Kennedy Background

Susan P. Kennedy is an accomplished policymaker and strategist with a distinguished career as founder and chief executive of a renewable energy company, top advisor to two California Governors, former Commissioner of the California Public Utilities Commission, and advisor to high-profile governing boards in the corporate, regulatory, government, and non-profit sectors. She currently serves as a Senior Executive at Lyft, Inc. Susan, a cleantech visionary, founded California renewable energy start-up Advanced Microgrid Solutions, serving as chief executive officer and board chair from 2013-2020 until it was acquired by Siemens/AES. Prior to entering the private sector, Susan served for two decades at the highest levels of government, including chief of staff to Governor Arnold Schwarzenegger (2006-2011) and cabinet secretary and deputy chief of staff to Governor Gray Davis (1999-2003). From 2003 to 2006, Susan served as Commissioner of the California Public Utilities Commission (CPUC), which regulates the state's investor-owned electricity, gas, telecommunications, and water utilities. In this role, she oversaw CPUC efforts to ensure water utilities deliver clean, safe, and reliable water to their customers at reasonable rates. In addition to her service on the CPUC, Kennedy was confirmed by the California Senate to serve on the California Bay-Delta Authority, the statewide body responsible for overseeing one of the largest water projects in the world — the \$8 billion, 10-year restoration of the San Francisco Bay Delta ecosystem — to increase storage, promote efficiency and protect California's extensive levee system. In this role, Kennedy was responsible for agreements among environmentalists, agricultural interests, and urban water users for multi-billion-dollar co-investments in water storage facilities, water use efficiency, and restoration of impaired waterways and fisheries. Susan holds a B.A. in Management from Saint Mary's College of California.

SOCAL HEMP RENEWS PARTNERSHIP WITH VICTOR VALLEY COLLEGE TO SUPPORT HEMP RESEARCH AT CADIZ RANCH

APRIL 06, 2021

LOS ANGELES, April 6, 2021 /PRNewswire/ -- Today, SoCal Hemp JV LLC ("SoCal Hemp") is pleased to announce that it has renewed its local partnership with Victorville, California's Victor Valley College ("VVC") to support student research into desert hemp farming, hemp product marketing and development. SoCal Hemp is a joint venture partnership between Cadiz Inc. (NASDAQ: CDZI), the largest agricultural operation in San Bernardino County, and Glass House Farms, one of California's most successful legal cannabis growers, dedicated to growing hemp in California's Mojave Desert and developing and marketing hemp-derived products nationwide.

Through the partnership with VVC, which was established last year, SoCal Hemp is supporting VVC's Agricultural and Natural Resources Department's ongoing research into best practices for farming hemp in a desert environment, while fostering practical educational opportunities for VVC students pursuing careers in the agriculture industry.

"We are honored to continue our partnership with Victor Valley College, a local community leader that shares our goal of successful and sustainable desert agricultural development of hemp," said Graham Farrar, President of SoCal Hemp. "For centuries, hemp has been successfully grown around the world supporting thousands of important products. The United States is behind in understanding its true potential. Together with VVC, we can demystify hemp for the country and for California with research and data and unlock its true potential."

SoCal Hemp and VVC are actively exploring and developing various growing, irrigation, and cultivation techniques for industrial hemp. This research has continued despite the COVID-19 pandemic and is focused on appropriate irrigation and wind break methods for the desert environment, using native vegetation and drip irrigation.

Led by WC Professor Neville Slade, students frequent the Cadiz Ranch cultivation site, Cadiz Inc.'s 9,600-acre agricultural property in the Mojave Desert, to collect agronomic data and samples alongside SoCal Hemp's workforce.

Our partnership with SoCal Hemp aligns with Victor Valley College's mission to support local career opportunity and advancement," said Professor Slade. "Innovation in farming is key to sustainability and success, and we are grateful for the partnership with SoCal Hemp, which helps us properly train our students through real-world experience working with an exciting new crop for our region that offers tremendous potential for economic success and environmental benefit."

The SoCal Hemp and VVC research partnership is focused on developing techniques and best practices for the harvest, processing, extraction, commercialization, and marketing of hemp and hemp-derived products grown in desert environments. An important component of the research program is studying how the harvested material in a desert location like Cadiz can enter the market and benefit the broader agricultural community. All yield and economic data are being shared with VVC in the hopes of supporting the understanding of the market viability of sun-grown hemp in California.

The Research Project will continue through 2022.

About the Partners

SoCal Hemp is a 50-50 joint venture partnership of Cadiz and Glass House Group. Cadiz Inc., a publicly-traded natural resources development company, has farmed its 35,000-acre eastern Mojave Desert property for over thirty years. The Cadiz Ranch has a varied crop mix, and has successfully grown grapes, lemons, and seasonable fruit and vegetables. Glass House Group is one of the largest California-licensed, vertically-integrated cannabis and hemp companies in the United States.

Victor Valley College is a public community college in the southeast corner of Victorville, California. It is part of the California Community College System and has approximately 12,000 students. The Agriculture and Natural Resource (AGNR) Department offers students workforce skills to enter the rapidly evolving career fields agricultural development and natural resources management, as well as educational pathways to assist students to transfer to higher education in this specialty.



INNOVATING

DEVELOPING AND SCALING - INTERVIEW WITH CADIZ CEO SCOTT SLATER & GLASS HOUSE'S GRAHAM FARRAR

MARCH 23, 2021



WATCH INTERVIEW: <https://youtu.be/FkB6hOTc3WM>

Seeking Alpha ^α

Cadiz CEO Scott Slater joined forces with Graham Farrar's Glass House Group to take advantage of 2018 Farm Bill.

On raising capital and issuing shares, the Cadiz Water Project and growing sustainably.

Pushing innovation forward through development and scale.

INTERVIEW BY RENA SHERBILL

Rena Sherbill: Welcome back to the show, Scott and Graham, it's great to have you guys on our new show, CEO Interviews and back to the Cannabis Podcast. It's been a year. We were just saying it's been a crazy, crazy year since last we talked, but it's great to have you guys on again. So so thanks for joining us.

Graham Farrar: Yeah. Thanks a lot for having us. Appreciate it. Thank you.

Scott Slater: Exactly. It has been a crazy year for sure.

RS: Absolutely. So give us a bit of a rundown for listeners, viewers that are new to Cadiz and haven't heard of Glasshouse Farms before. Talk to us about Cadiz and kind of give us a sound bite of what you guys are all about and how you came together with Glasshouse last year.

GF: Scott, you want to start that and I'll be happy to follow up?

SS: Yeah, I'd be happy to. We are a publicly traded company on the Nasdaq. We are principle assets, our natural resources, land and water. And we have been involved in farming about forty five thousand acres of land in eastern San Bernardino County for decades, principally in citrus and dried on the vine raisins for a long time.

And then as the interest in hemp began to emerge, we we thought that there was a great opportunity for us to be engaged in sustainable farming in that cutting edge new product that there was going to be a lot of demand for. We we had a lot of inquiries about our suitability of our property to grow him and more.

We began to investigate it the more excited we got. We are also in the midst of doing a large water conservation project which is designed and its intention to take water from where we are in the Mojave Desert and bring it for urban uses and agricultural uses elsewhere in the state. So we have sort of a capacity which is similar to a lot of farming operations in the Central Valley, where you can make decisions about the highest and best use of your water. And our intention is to marry both overlying farming uses with the export of water for municipal uses. So as we began to approach this, the more we learned about him, the more we liked it.

We like its sustainability, we like its its purpose, and we wanted to find a best in class partner. So we were introduced to Graham through a common friend and it was fortuitous that everybody who came to approach us from around the country and actually even internationally that was interested in him and and cultivation space about the ground was the right person that they were proposing to bring to the table. And we thought, well, gee, well, we'll just go talk to him directly. And that couldn't have been made any more convenient. But for the fact that Graham actually lives within five blocks of me, we've been very pleased with our relationship.



And I guess I would say the one thing that we felt was critical and we believe that even more now than when we started is that anybody can farm. It's not just the farming that we were interested in. What we were interested in was the fully integrated relationship where we would be able to farm in the spec and then we would process it and ultimately have a distribution arm. And in in candor, we have the prospect of a large cannabis retailer who's interested in the hemp space, who's already got a brand and a foothold, and we're marrying our hemp brand along with their retail distribution of cannabis. And we think that's very exciting.

RS: And Graham, would you couch it in the same way, would you feel like that's the partnership that kind of brought you guys together and made it attractive to you as well?

GF: Yeah, so. So I'm the founder of Glasshouse Farms. We've been in the in the cannabis space for over half a decade now, which is kind of the oldest kid in the candy shop when it comes to legal and compliant cannabis. And I think it's worth remembering that hemp on hemp and marijuana use the colloquial terms. They're the same plant rights, the ones with Chihuahua and one's a Saint Bernard, right. They're both dogs.

And we look at the lens through it as a cannabinoid product company. And many of those cannabinoids and specifically every cannabinoid except for Delta 19 seed can be cultivated in him. And when you get down to agricultural operations, you kind of land water and know how. Right. And so we have the knowhow from being in that and that hemp and the cannabis space for for so long and starting.

Cadiz has very large amounts of land and large amounts of water. And the project that we're working on in a partnership is supportive and certainly not conflicting with their underlying goals on the on the water side. So we decided to marry those things together and look at ways that we can. I think the days of farming hemp is, as you would alfalfa. You just grow it and it's here's a bale of it. Those days are kind of that was the heyday. And the the the wild swings and exuberance. Now it's into the stage where you need to be a product company. Right. So you're farming to create products, not farming to just create biomass.

And so since the last time we've talked, we did one full successful harvest. We're now processing what we grew into, various different products all the way from tinctures, the gummies, the hemp cigarettes and pre-rolls, rolls and things like that that allow people to get access to cannabinoids, particularly in states where you don't have yet legal access. Those states are dwindling on the cannabis side, which may be opening up the door for the next phase of this to Delta gummies and things like that to help us sleep and anxiety and and in all the other things that those cannabinoids can do. Right.

Another example, CBM can not many people have heard, but fantastically helpful for sleep. Right. And great replacement for pharmaceuticals. So we've got all those products now in the works from what we grew last season. And we're planting probably next week for this season. And on the agricultural side, we feed back that whole loop. Right. We understand that the products need and so we can grow it better so that we can deliver to the product team exactly what they want.

And that's that's kind of the cycle that we're in now. And certainly with the doors and the political climate starting to move, there's again, hemp and marijuana are very close together. So if you solve for one and a large part, you've solved for the other. And if door's open that allow us to go both directions, that would be pretty exciting as well.

RS: And are you guys growing the cannabis? Are you staying mostly on where you are growing it prior to the partnership with Cadiz? Because I know there's an issue with growing hemp side by side with cannabis, or have you also taken on some of Cadiz's farm land?

GF: Yeah, so we can't do anything THC related yet at Cadiz for a number of of reasons, both the local laws as well as the fact that Cadiz is a publicly traded company. So everything is strictly hemp, strictly by the 2018 Farm Bill. All the compliance that goes around that. Our THC operations are currently all up where Scott and I live in Santa Barbara, in that area. So we currently grow on the THC side, mostly in greenhouses.

And this is one of the nice things about what we're doing here is we're really we're learning how to take our greenhouse expertise and bring it to the true large scale agricultural format at Cadiz. We get to do some of those learnings on the hemp side, but they'd be applicable on both pathways.

So you are right that hemp and cannabis can be in conflict with each other, not because there's anything inherently broken about them, but because THC is very specific to not having pollen, whereas hemp is less so and so you could have pollen drift between the two in a typical operation, which would negatively impact the cannabis side.

SS: So I do think it's it's important to remember that we are in a really isolated environment out in the eastern Mojave Desert. And so there has always been from a law enforcement perspective, there's always been a concern about who is growing what and and how to evaluate that and stay compliant. And so marijuana is not legal in San Bernardino County. Hemp is.

And so I think the first thing we want to say is that at a scale that we that we're capable of supporting, we have nearly ten thousand acres of land, which are in a position to ultimately host a very large hemp operation and hemp farming, and that's all sunrises and open air.

And the reason... one of the things that we have confirmed through are our trials and our first true commercial harvest is that there aren't any pests. So you're able to to farm open air in the location that we have where you probably couldn't do it in other areas. We're not adjacent or buddying up to any urban areas where you're going to have typical odor issues or really know the noise associated with the farming activity. So we're isolated. We're really within an envelope of federal land all around us. So the water supply is protected. Nobody's going to be dumping harmful chemicals into the ground.

We have zero risk of contamination at any point. So we are really kind of in a Fort Knox environment around what we're growing. And the second point I would make about this is we have benefited from being completely embraced by law enforcement. We made the early decision to connect with law enforcement, invite them into the operation, give them a tour, or explain to them what was going on. And we have been repaid in spades with their support for our operation. And so we're very excited about being able to continue to educate law enforcement and to grow our operation under their watchful eye.

RS: And then. Yeah, go ahead Graham.

GF: I was just going to say, worth noting how unprecedented the lack of need for pesticides is in outdoor farming and particularly how important that is to both hemp and cannabis. Both of those crops are tested very specifically in the case of THC cannabis down to the parts per billion level for sixty six different pesticides before it can clear into the retail supply chain.

So the fact that we learned that we truly didn't need to use any chemicals is great from a business point of view. It's great from a consumer story point of view. It's great from an environmental point of view, and it is truly a very unique thing.

And then separately on the law enforcement side of everything Scott said is one hundred percent true. One of the things that I think people as a society's kind of learning on a macro level is just because marijuana is banned doesn't mean that marijuana doesn't get grown in an area. What it means is no legal marijuana gets grown in area.

So one of the mechanics that we're seeing play out in many different avenues is the idea that law enforcement starts to prefer a few licensed, regulated, by the books tax-paying entities that do the marijuana growing because then they generate tax revenue. The tax revenue typically in the first place it lands is an enforcement budget. So the law enforcement can then go shut down the folks who are growing unregulated. Right.

And so if the drug war if you could just say no to drugs and they're gone, we wouldn't still be talking about it. Right. I mean, the reality is that's not how it works. And so across the board, we're seeing this kind of shift in preference to, hey, let's pick the right players for this and then go shut down the wrong players and the right players find the ability to do that. So I think we'll continue to see that. We're starting to see traction on that on the federal level. And I think once that clicks into place, we'll see that accelerate as well.

RS: So a couple follow up questions just to your point quickly. Number one, the pesticides kind of what I've always heard is that it's easier to get rid of - not using pesticides growing indoors as opposed to outdoors. And this might dovetail into my kind of second question. Follow up, following up on what you just said, which is do you feel like what you've gained from partnering with Cadiz is the ability to know how to scale in terms of growing marijuana, cannabis to scale it in a way that suits kind of your narrative, which is environmentally friendly and sustainable and all that. Do you feel like it's giving you the ability, the capital structure to do that?



GF: Yeah, I mean, I think **Cadiz is - it's a unicorn of a location.** The idea that you could have virgin, so organically certifiable land at scale in the sun with all the water that you need and not have anything else around you like. I'm not sure. I don't think there's another place like it, certainly in California. Hard for me to imagine where else in the country it would be. So assuming that you value which we do, the idea to be pesticide and eco-friendly, free to have a naturally occurring water that's not taking from other uses. Organic certification when and where it makes sense, and you know, all the sun of the Southern California region together and be able to make it as big as you want. That's about as good as it gets.

RS: And then do you feel like you're getting ready for kind of because you said that because Cadiz is Nasdaq listed and they have to abide by certain things that, you know, that they that you guys have to kind of like to 280E and draconian regulations, you guys still have to abide by all of that and you still have to wait for that to loosen up. You can't kind of see that you're under Cadiz's structure?

GF: Yeah, no, no, we don't we don't get any any freebies on the tax side, that's for sure. I mean, the regulations of hemp compared to other crops I think are daunting for many farmers. For us relative to THC, it's easy, right? I mean, the THC application's this thick, the hemp application's that thick alfalfa farmers are not used to an application. Right. So it really depends on where you are in that spectrum.

But I do think we see where things are starting to go. The Safe Banking Act was just actually reintroduced this week. The MORE Act, which would deschedule cannabis, passed the House last year. Now, Kamala Harris was the lead sponsor of the bill is the Vice President and the deciding vote in the Senate. So Schumer and Booker and a number of other folks out there are being very forward about their interest in moving that legislation forward.

I think it's good for a lot of reasons, but the real tip of the spear on it is from a social justice point of view and the fact that the war on drugs is not truly a war on drugs. It's actually a war on people and specific people at that. And it's time for that to end. And that has an urgency beyond the tax revenue that it will generate for the federal government, which needs it now and beyond the jobs that it will generate, which we need now. But the idea that there's people sitting in jail for things that I do as a business is phenomenally wrong, not because of what I'm doing, but because they're sitting in jail. And so making progress to fixing that is something that I think all of us need to put on the top of the priority list.

RS: Absolutely. Scott, where are you at in terms of I mean, I couldn't agree more in terms of the social justice aspect, because there's a lot of talk of exactly what you're saying, that some senators are close in passing. Probably what looks like the first to drop is going to be the safe, the safe banking regulations. But I think it ignores the huge, ridiculously absurd elephant in the room.

Scott, you know, you said that you guys have a relationship with law enforcement. What's your sense of where we're going nationally or federally in terms of kind of not just righting the wrongs, but coming together? Like, I imagine that you guys are also looking forward to the day where you can just be one one entity.

SS: Well, I think we do appreciate the platform and again, the fully integrated platform and being able to move into that, and you can't sit here where we are today and not imagine a world where either hemp or cannabis could be grown and produced. We're aware of that. We also are mindful of the strong feelings of our host county right now in favor and supportive.

And in fact, I would say that we've probably had every member of the San Diego County Board of Supervisors and most of their legal team and staff, in addition to law enforcement, out of out of the farm, becoming interested in in that. And the fact I think so at a first level, we're actually looking forward to clearer, more consistent regulation of hemp and CBD in California. And we think there is a bill that's in the California legislature this year and we think it's going to pass. And we think that the uniformity and clarity that regulation is going to help us.

We think as far as the sort of social awareness of the benefits and uses of CBD and the hemp side in marijuana as well, we we see and think that there will be a national opening. We wonder whether at a state level it's going to be 50 state legal. The decriminalization doesn't necessarily on the banking side. And those activities don't necessarily mean that every state and every in every county is going to be open to it. We think that's probably a longer term pathway.

But I think from the standpoint of the federal government decriminalizing and for opening the doors to allow states to make their decisions on a state by state basis, I think that's much more likely to happen. And in particular in this government in this time and this place, there are a lot of reasons to believe that that is going to become more liberalized. But there's going to need to be uniformity and standards to allow that to happen. We're going to have to be embracing some of those uniform standards and clarity about what we can do, what and where under that under that formulation.

And until that happens, you're going to see reticence on the part of public companies to want to take risks. So I think California is on the right step to the federal government moving in the right places. And I'm again going to reemphasize, we have a partner who is able to completely ferret out what the rules and regs are on the tax side. Applying that same expertise to camp gives us great confidence that our our CBD and our hemp related products are going to be 50 state legal. We believe we'll get there.

RS: Sorry. And do you see it going like going forward? CBD and THC, cannabis, all all three kind of lanes.

SS: So I'm going to say I'm going to say Graham is our retail expert here. I think our expectation, our expectation here is we're working in the lanes created by our partner. But but we've had dialogue about a 50 state legal CBD, 50 state legal brand and and being combined with cannabis and some of the markets. Graham?

GF: Yeah, yeah. I think the lens I like to use is that kind of cannabinoid product lines. Right. So if you think people know CBD, they know pretty extensively. There's one hundred other cannabinoids out there that are produced by the cannabis plant. There's selectively bred cannabis that we call marijuana that has it. And then they're selectively bred cannabis that has less than three percent THC, which we call him the rest of the cannabis, like no one even really talks about. You can start thinking about it through that lens. You start thinking, you know, that that you can have it's almost like alcoholic and nonalcoholic beer, like there could be there.

I think there will be a patchwork of states because at the federal level, no one is proposing that you dictate to states what they must do. You're basically just saying that you can do what you want to do, which frankly, I think the federal government as an entity owes it to itself to do that. Right. I mean, they're so far behind, I think. Forty seven out of 50 states now... that they're pretending that this is schedule one, the worst thing in the world. Where forty seven out of 50 states have said you can have access to it. 15 of them that you can have access to, just like alcohol, I think undermines the entire authority of the federal government.

If you can ignore them here, where else do you get to ignore them? So that aside, I think they're going to rectify that. And then I think we will have a patchwork. We're going to see some states like California where you're going to have access to all the cannabinoids, maybe in different retail locations, but you'll be able to get them everywhere.

And then you'll have some states where they may not allow THC, but they do allow CBD or probably even some states where they don't allow more than X percent THC, but they allow under it. And so if you think about that, again, from the cannabinoid product, it's quite possible that we will have a tincture in California that has THC and CBD in it and then we will make a tincture that is intended for the same use, but minus the THC for sale in other places. So it's going to be a bit of a regulatory patchwork, but I think in general we will make forward progress on all fronts.

RS: Speaking of protracted processes and the long journeys to kind of the end line, and Scott, you mentioned the Cadiz Water Project that you guys have going. It's been, it's been a long process. How confident are you that that's going to be something that's going to come to fruition in the near term?

SS: Well, I think we bet the farm on it, so to speak, we're pretty confident that that what we are we are accomplishing through our our water project is a prolific conservation project and the the idea that we would continue to allow nine million gallons of water to evaporate every year from these natural dry lakes while we have a million people in California who are in need of clean, reliable water is just unfathomable. And and so we are very excited about some of the recent developments in the last four or five months.

And in addition to the land where we are and the expansion of the oil field, which is which is great and suitable, versatile for both providing water for our farming products as well as exporting water to external uses. So we have continued to fully develop that. But along the way,

we have quietly done something that my kids are particularly proud of.

And and I am, too, because it's consistent with the ethos of operating sustainable business. And the old Jack Johnson, reduce, reuse, recycle.

We had located an existing natural gas pipeline which runs two hundred and twenty miles from Kern County down through Upper Los Angeles County, crosses over into San Bernardino County and ultimately has its terminus at Cadiz. And we are in the process of repurposing that line so it doesn't transport natural gas, but it transports water. And in December of last year, we announced that the federal government had approved the underlying right of way for us to transport water through that pipeline, in addition to assigning us some other rights that were held by the owner of pipeline, Kinder Morgan (NYSE:KMI).

So we think that that pipeline, married to our base project gives us a whole bunch of new opportunities. And it also introduces us into a new business, which is a standalone independent business, which will allow us to take water from willing buyers and sellers and connect them. So if you have a water short area that that needs true wet water delivered to augment what they already have, that we now have a new pipeline infrastructure that can connect somebody who has water, say, on the east side of Kern County and wants to move it into another portion, San Bernardino County.

And there are probably seven disadvantaged communities along that route. I could go through the economics of how cruel it is to these communities to be short of water and what they have to pay for it when you could simply pay a similar amount and actually get water. And how these rate economics work is, it's really quite crazy and devastating to this community.

So we think we have all the fundamentals in place in order for us to implement this project. And we can. Rest assured, however, that the use of that pipeline and the project itself are completely compatible with supporting our farming arrangement. We have the right as granted by San Bernardino County, our host county, to take up to 50,000 acre feet of water in a year, and that is sufficient amount of water to take care of our hemp aspirations as well as meet our water project demands.

RS: And what would you say, because what you're describing and I think why your kids are such fans of that is because, you know, people that are fans of sustainability, which tends to skew younger fans of sustainability and fans of being environmentally responsible. Those all sound like good things. But there are some detractors. What do you... what's your point against the detractors? And do you feel like that that's been kind of the challenging hurdle that has prevented it from happening up until this point?

SS: Yeah, I think that we indeed, we do have detractors. And I think it's fair to say in the modern world, every infrastructure project of any kind has detractors. There is immediately mobilized opposition to any infrastructure, any infrastructure improvement, and particularly in California. And and so I would say insofar as from the date I started with the company in December of two thousand and eight. So we're now about a decade we have been subjected to peer review, voluntary commissions. I brought people from all over the world through my relationships, from as far away as Western Australia.

And the former head of the United States Geological Survey professors, we did advanced peer review. We went through an evaluation of the project, which was probably the most open and transparent and certainly the most stringent environmental review of any water project in the history of California. Thousands and thousands of people testified, multiple hearings, lots of testimony taken. And ultimately the environmental impact report for the project was approved, finding that there was wait for it, not a single adverse environmental impact. Now, imagine that. And that wasn't by accident, Rena.

When I came on, I thought that the only way that a private sector company would be able to operate in this space was if it did no harm. And we set a bar for ourselves that we would self regulate and we would not take or try to do the largest project that you could do, but to do one that would have zero environmental impacts. So it was certified in that fashion, but that wasn't enough.

We also wanted to satisfy the local Post County, which was San Bernardino, and we went through an independent permitting process there as well. So we got a certified EIR. The county of San Bernardino approved it, finding again no harm. And even though they concluded there was no harm, they put on top of an additional conditions to satisfy environmental opposition. That wasn't enough. And they sued. We went through six lawsuits, a trial, six on it, and we won every one of them, 12-0 in the courts. So at that point in time, we'd we had been reviewed by two public agencies and the courts and found to have no environmental harm. And I can tell you that there have been subsequent reviews that find the same thing.

So you say, well, why the opposition? And and I think that as an intermediary for us once reported, Scott, it's not so much about the project.

The project itself is quite innovative.

It's what you're doing with it. And and the concern is thinly veiled is that the water gets on a pipeline and goes to places which supports new development and economic growth. And if you're not in favor of continued growth and new housing, particularly in elite coastal areas, that's a good place to weigh in, to stop it from happening.

There are countless papers and presentations that have been written by people, I think, in a very cruel way to indicate that their intention is to deny these infrastructure services to rural America and to suburban areas because they think it creates sprawl. And so my opinion is that that the money behind the opposition comes from what I would call traditional no growth activism. And this is a proven strategy on their part to restrict water supplies that thereby impair housing.

And that's not all. And we remain open and relentless in our pursuit of the truth and data gathering, and we're up to it now. So I believe we will prevail because in the end, data matter. And if if data do not indicate that what you're doing is going to cause harm, the loudest voice in the end can't predict because data impeaches those allegations. And we just need to keep being open, transparent and strong willed and moving forward.

RS: It's interesting, Graham was saying that you guys had an advantage with not dealing with THC. I think that that advantage was kind of taken up by by these kinds of protocols that you guys are dealing with. I mean, it's really a dance to be able to navigate this space. As you said, there's so many variables that you have to hold in your head and strategize as a business leader.

What kind of I mean, keeping into the theme of asking CEOs questions of how they lead companies, what drives you to kind of keep going and not say, OK, look, this isn't working out, let's do this? And the other thing that we're planning on doing and leave this water project alone, is it is it the belief that what you're doing is right? Is it is it the drive to kind of show that business and sustainability can go hand in hand? What is it that pushes you to kind of keep going and pursuing this?

SS: So this sounds cliché, right? But you can't get up out of bed and and become a combatant on behalf of a cause unless you believe in it. And that I've spent thirty six years in this space, in the water space knowing and learning about water and that Graham used the phrase unicorn or the characterization, unicorn. And that's really true.

There isn't an asset or configuration of assets, in my opinion, anywhere in the western United States that is similar to Cadiz because of its isolation, because of the prolific water supply, and because natural processes are basically dumping nine billion gallons of water into the atmosphere every year.

If we looked at that as being dumped into the ocean or if we calculated the loss off of Lake Mead every year, those that's evaporated. We characterize that as a loss. We say that is bad. That's not helpful. We want to put our water to use. And in my experience, the use of water is tied to so much social good and and can be directed to provide people with reliable supplies so that we don't have a dramatic rate spikes that go up and down as shortages imposed; that it's necessary for the state of California to meet its fair share of housing. And one of the problems we have with the prices of housing is, is that there's not enough product and not enough product where it needs to be.

And one of the it is true for 40 years in this state that the principal way to defeat housing is by denying it water. That is the experience of California. Some people got the idea to do that in the 70s. Actually, where they learned to do it was in a place called Marin. And then the second place was in Santa Barbara. They went into a moratorium to stop building houses, and it was largely on the basis of water. So it gets me up to to face the day and to move forward on the basis that the water project is the right thing.

Conserving water is the right thing. Bringing water for people where they need it is the right thing to do. But it's not only that, right. You have to do the thing that I believe strongly is Rena was from the beginning with a prolific unicorn asset it needed a holistic land management strategy. And one piece of that ultimately is dedicating vast quantities of that land to permanent open space. But that's not the only way we can contribute to a very interesting growth opportunity that provides a lot of public good by investing in a product and a farm opportunity like hemp.

We haven't talked about the prospect of maybe using or responding to the Patagonia call for bringing hemp home. Right, their products are their hemp is raised in China, they want to do it in the United States. There will be an opportunity for us to do that eventually. So we think hemp is a great ancillary opportunity for us to to pursue at the same time, we're doing the water project.

[TO WATCH VIDEO OF TO THE ENTIRE INTERVIEW, click here.](#)

THE WATER VALUES

PODCAST

APRIL 20, 2021



Episode #190 – 20 April 2021

The Cadiz Water Project with Scott Slater

with Scott Slater



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TAKE A LISTEN to gain a unique perspective on the development of a water project and how it impacts society in general.

In this session, you'll learn about:

Scott's long tenure as a California water lawyer

The background of the Cadiz water project

What a dry lake is

How the Cadiz project intercepts groundwater before it evaporates in dry lakes

The history of environmental review of the Cadiz project

How the Cadiz project achieved a zero environmental impact designation

The current state of the opposition to the Cadiz water project

How water development relates to economic development activities and housing

How the Cadiz project takes advantage of existing infrastructure and land rights

How data has played a role in developing the Cadiz project

The impact of the Cadiz water project on the equitable distribution of water

Resources and links mentioned in or relevant to this session include:

Scott's LinkedIn Page

The Cadiz Water Project's website

LA Times article on the Cadiz Water Project

TWV #133: Resiliency and Regionalism in Southern California with Metropolitan's Jeffrey Kightlinger

TWV #073: The Coachella Valley's Water Story with CVWD's Board President John Powell, Jr.



CADIZ: BEHIND THE SCENES

WHAT ELSE IS GOING ON AT THE RANCH?



PEDRO SETT & LESLIE THORNBURG continuously explore different varieties of fruits and vegetables that are capable of growing on the Cadiz Farm. From carrots, turnips and purple cabbage to well, you'll just have to ask Pedro.



CADIZ INNOVATION:

Founded in 1983, Cadiz Inc. is a natural resources leader that owns 70 square miles of property with significant water resources in Southern California's Mojave Desert. We are dedicated to pursuing sustainable water, habitat and agricultural projects through the responsible stewardship of our unique land, water and infrastructure resources. This new video provides an introduction to Cadiz with new imagery of this special area.



UNITED NATION'S SECRETARY-GENERAL'S MESSAGE ON WORLD WATER DAY

MARCH 22, 2020

This year's World Water Day, with the theme "Valuing water", asks: What does water mean to me?

The value of water is profound and complex. There is no aspect of sustainable development that does not fundamentally rely upon it.

For me, water means protection. A well-managed water cycle – encompassing drinking water, sanitation, hygiene, wastewater, transboundary governance, the environment and more – means a defence against ill-health and indignity and a response to challenges from a changing climate and increasing global demand.

This World Water Day, we want to record and understand as many views as possible, so decision-makers are better informed and equipped to safeguard this human right for every person and every purpose.

Today, we are not on track to ensure everyone has access to water and sanitation by 2030, as set out in Sustainable Development Goal 6. While advances being made, current progress needs to quadruple to achieve universal access.

Chronic under-investment in water and sanitation disadvantages and harms vast numbers of people. This is unacceptable.

I am encouraged by the joint statement signed by some 160 countries during the UN High-Level meeting on water on 18 March. This shows a strong commitment to advancing all water-related aspects of the Sustainable Development Goals.

On this World Water Day, let us commit to intensifying efforts to truly valuing water so all may have equitable access to this most precious resource.



03.22.2021 WORLD WATER DAY

VALUING WATER

Water means different things to different people.

This conversation is about what water means to you.

How is water important to your home and family life, your livelihood, your cultural practices, your wellbeing, your local environment?

In households, schools and workplaces, water can mean health, hygiene, dignity and productivity.

In cultural, religious and spiritual places, water can mean a connection with creation, community and oneself.

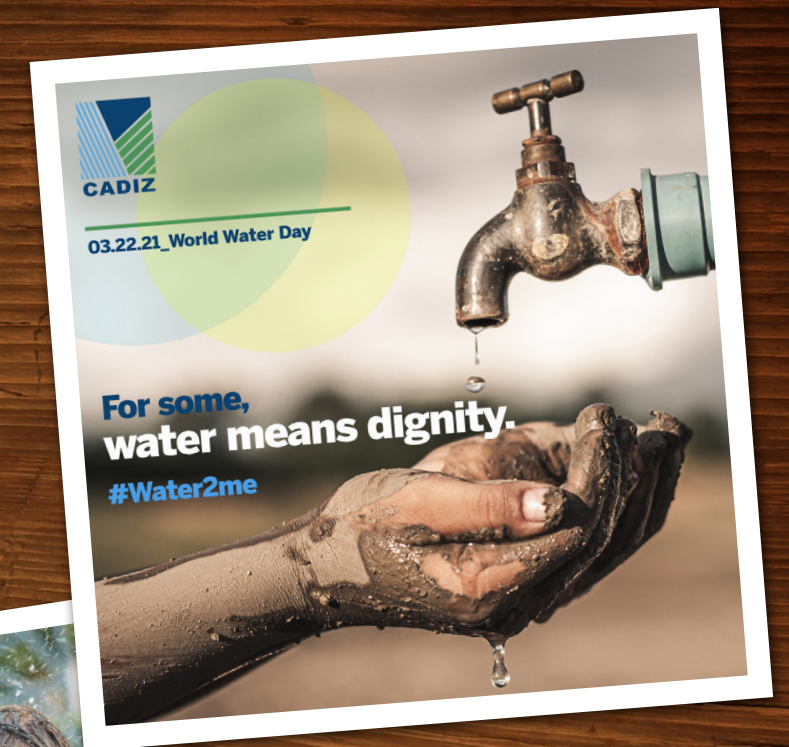
In natural spaces, water can mean peace, harmony and preservation.

Today, water is under extreme threat from a growing population, increasing demands of agriculture and industry, and the worsening impacts of climate change.

By recording - and celebrating - all the different ways water benefits our lives, we can value water properly and safeguard it effectively for everyone.

Continue the conversation about what water means to you.

Because everyday should be World Water Day!



04.22.2021 EARTH DAY

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LOS ANGELES TIMES

Wells dry up, crops imperiled, workers in limbo as California drought grips San Joaquin Valley

As yet another season of drought returns to California, the mood has grown increasingly grim across the vast and fertile San Joaquin Valley. Renowned for its bounty of dairies, row crops, grapes, almonds, pistachios and fruit trees, this agricultural heartland is still reeling from the effects of the last punishing drought, which left the region geologically depressed and mentally traumatized.

<https://www.latimes.com/environment/story/2021-04-26/as-drought-deepens-california-growers-see-grim-futurequin>

Louis Sahagun, Los Angeles Times, 4/26/21

FORBES

Southern California Water Price Jumps 48% In 3 Weeks As Rainy Season Disappoints

Californians received a double dose of not so happy water news last month; cutbacks were made to water allocations and a key water price index surged higher. Drought fears are heightening due to low reservoir levels and below normal snowpack.

<https://www.forbes.com/sites/salgilbertie/2021/04/09/southern-california-water-price-jumps-48-in-3-weeks-as-rainy-season-disappoints/?sh=173ae5a24e77>

Sal Gilbertie, Forbes, 4/09/21



CBS NEWS

Demand for water is rapidly increasing as supply dwindles

Limited access to clean water remains a struggle for millions of Americans. And lack of water access is expected to become an even greater problem in the coming years across the U.S. and around the world.

<https://www.cbsnews.com/news/clean-water-demand-rises-supply-dwindles/>

By CBS News, 4/22/21

THE SACRAMENTO BEE

Southern California water giant wants Sacramento Valley water — and has \$44 million to spend

With California in the throes of a second year of drought conditions, the mega-water agency of Southern California served notice Tuesday that it's prepared to spend up to \$44 million to buy water from Northern California to shore up its supplies.

<https://www.sacbee.com/news/california/water-and-drought/article250648394.html>

Dale Kasler | SacBee, 4/14/21

MSNBC

California's water scarcity issue: 'Where rivers ran, now dust'

Meet the Press Reports: Water Security delves into the growing issue of water scarcity. NBC News chief environmental affairs correspondent Anne Thompson discusses the issue of access to water.

<https://www.msnbc.com/mtp-daily/watch/california-s-water-scarcity-issue-where-rivers-ran-now-dust-110675013578>

By MSNBC, 4/22/21



ABC NEWS

US West prepares for possible 1st water shortage declaration

The man-made lakes that store water supplying millions of people in the U.S. West and Mexico are projected to shrink to historic lows in the coming months, dropping to levels that could trigger the federal government's first-ever official shortage declaration and prompt cuts in Arizona and Nevada.

<https://abcnews.go.com/Technology/wireStory/correction-colorado-river-water-shortage-story-77170840>

ABC News, 4/19/21

FRESNO BEE

Toxic tap water: California needs \$4.6 billion to fix failing infrastructure

A new state analysis estimates a \$4.6 billion funding gap for water system infrastructure needed to ensure Californians have access to safe and affordable drinking water. The State Water Resources Control Board this month released the first-ever drinking water needs assessment, showing that approximately 620 public water systems and 80,000 domestic wells are at-risk of failing to provide a sufficient amount of drinking water that meets basic health standards. The highest concentrations of at-risk systems are in schools and communities in the San Joaquin Valley, Los Angeles Basin and the Central Coast, according to the principal investigator on the project, Greg Pierce of UCLA.

<https://www.fresnobee.com/fresnoland/article250641719.html>

Monica Vaughan, Fresno Bee, 4/14/21



HEADLINE NEWS

GV WIRE

Biden Administration Declares California Drought Disaster. What Is Newsom Waiting For?

U.S. Agriculture Secretary Tom Vilsack designated 50 California counties as natural disaster areas last month because of the drought.

And, over the weekend, Fresno Congressman Jim Costa said on KSEE-24's Sunday Morning Matters program that Gov. Newsom should declare a statewide emergency because of the dangerously dry conditions.

... Yet, Newsom, also a Democrat, last week rejected a request from a bipartisan coalition of state lawmakers from the Valley to declare a statewide drought emergency. State Sen. Andreas Borgeas, a Fresno Republican, is leading the effort to obtain the emergency declaration.

<https://gvwire.com/2021/04/12/biden-administration-declares-california-drought-disaster-what-is-newsom-waiting-for/>

Bill McEwen | GV Wire, 4/12/21

DAILY MAIL.COM

Dried-out reservoir photos show extent of drought in the southwest as up to 85% of California suffers 'exceptional' water shortages

Photos reveal how Lake Oroville is at 42 percent of its 3,537,577 acre foot capacity while about 85% of California suffers 'exceptional' drought.

Lake Oroville, a reservoir formed by the Oroville Dam impounding the Feather River in northern California, has been seen with a dry and cracked riverbed - a sobering reminder of the massive drought that ran from 2012 to 2016.

Last month, Lake Oroville was at just 38% of its capacity - which was alarming for officials considering the reservoir was described as 'the poster child in that spate of drought images seven years ago,' SFist.com reported.

<https://www.dailymail.co.uk/news/article-9519699/Dried-reservoir-photos-extent-drought-85-California-suffers-water-shortages.html>

Adam Schrader for DailyMail.com, 4/28/21



