



## HB 4014 and SB 1511

The mission of the Oregon SunGrown Growers' Guild is to advocate, promote and protect traditional SunGrown medicinal cannabis. We are dedicated to the development and preservation of SunGrown cannabis seeds and genetics. We believe that sustainable SunGrown agricultural methods produce a superior holistic medicine.

We are grateful to this Joint Committee and Co-Chairs for your leadership, for your willingness to hear and consider our views, and for the opportunity you have given us to contribute to this process.

We are urging you, the policy makers of Oregon, to amend these bills so that the responsible, small rural, family farmers can continue to grow SunGrown medicine for our patients. Compliant OMMP growers in good standing should be grandfathered in so that they can continue to grow and deliver medicine for their patients, and continue to recover costs from OHA "Medical Only" dispensaries.

Current versions of these bills, coupled with OHA's proposed regulations and local government ordinances in the making, will prevent the small, rural cannabis farmer from being able to get licensed to legally grow medicine in Oregon. Without amendments and legislative intervention, the responsible and legally compliant OMMP farmer growing 48 plants will be shut out of Oregon's legal system moving forward.

We wish to protect a 'Medical Only' path to preserve the OMMP. The proposed OHA rules, as evidenced by hundreds of cannabis farmers' showing up to share their opposition in Medford last week, will deny licensing for the 48 plant rural farmer who has been in good standing, growing medicine for their patients for years. Provisions requiring surveillance, security (and other technology that is unaffordable) won't work for existing OMMP rural grow sites without electricity or high-speed internet access.



Fixing the OHA Rules are not enough, though, as the pathway to recover our costs of growing medicine would also be severely narrowed by the looming shortage of OHA Medical Dispensaries. If an OMMP grower can find an OHA Medical Only dispensary to deliver their excess, a final barrier exists as current proposals will have allowed the OLCC Rec Producers to have flooded that Dispensary with cheaper products.

In sum, the existing, responsible, and law abiding OMMP grower of 48 plants will not likely be able to get an OHA license. If they do, they will for the foreseeable future have very few OHA Dispensaries available to take their excess and recover their costs. And the few OHA stores around will already be flooded with cheaper products, possibly grown by large out-of-state OLCC Rec Producers. These proposals combine to shut out the responsible small, rural farmer. We hope that they can be addressed to save the OMMP, save the medicine grown on these farms, and protect our patients.

With a shortage of OHA Dispensaries looming, OMMP growers in good standing need a path or license that allows for their excess medical cannabis to enter into the OLCC Co-Located Stores. We are encouraged by conversations relating to the “Micro Canopy Concept” and have had very helpful meetings with Rob Patridge of OLCC to identify some necessary statutory fixes to make this path work. If these barriers can be removed, we find it reasonable for OLCC to require seed to sale tracking for these Micro Canopy sized (48 plants or 5000 sq feet) farms.

Please also consider the following views with regard to specific proposals in the two bills:

#### **HB 4014**

Residency requirements are important to ensure a functional system in Oregon. OSGG believes they are also necessary for small business to have a chance of survival against large out of state interests.

The single place where residency requirements are inappropriate is for patients. Patients from out of state should be able to access medicine.



OSGG supports the language directing OLCC to assist small producers and is very appreciative of the outreach conducted by Rob Patridge/OLCC regarding the Micro Canopy concept. As discussed above, statutory fixes that would allow the Micro Canopy concept to work for our responsible OMMP growers are needed. We appreciate the Committee's intentions to protect small businesses and see this piece as absolutely critical for doing so.

OSGG supports the criminal justice provisions and is appreciative of the Committee working on common sense reforms to make the criminal justice system more just.

OSGG supports the card renewal receipt provisions. We are very concerned, however, with the impact on patient access that the dramatic changes being proposed would bring.

OSGG is excited about increased research into the medical benefits of certain cannabis strains. We request that the transfer provisions be amended to allow transfers between an OHA Research License holder and an OHA cardholder. We want to stress the importance of protecting family farms in this conversation. Our farms have been functioning as the 'testing labs' for medicinal cannabis, and we must protect the varying strains of cannabis that are producing life altering benefits to our patients. Our experience has shown us that, for example, cannabis grown under the full spectrum of sunlight, without harmful herbicides and pesticides, in the ideal locations for outdoor growing that Southern Oregon affords, produces superior medicine.

We fully support and are encouraged by efforts at the state level to educate minors about the true danger of cannabis. An educational program that treats cannabis like alcohol will go a long way to removing the stigma and the forbidden attraction of cannabis. Overblown threats have shown themselves to have little impact on youth behavior. We feel a rational approach is much more likely to encourage healthy behavior among youths.

### **SB 1511**

- To protect patients, we must protect their growers and the farms on which their medicine is grown.
- Our farms are threatened by proposed OHA regulations
- Our farms are threatened by new local government ordinances



- OSGG finds the implementation timeline of many proposed changes to be unworkable

Please make the following changes to SB 1511:

Require that OHA notify by mail all growers and patients of legislative and administrative changes prior to their going into effect, and with enough advance time to allow for compliance.

OHA shall not require existing OMMP outdoor grows of 48 plants or less to install surveillance cameras and security requirements as a condition of licensure. (To obtain an OHA license, these farms will be conducting tracking and reporting.)

OHA shall not require existing OMMP outdoor grow sites of 48 plants or less to obtain water law certifications as a condition of licensure. These farms are operating under a cost recovery model, not commercial transactions.

OHA producers must be allowed to transfer concentrates (RSO) directly to patients.

OHA processors must be allowed to transfer concentrates (RSO) directly to patients.

Grandfather existing OMMP Grow Sites so that local government ordinances passed after January 1, 2015 do not apply to OMMP grow sites that were registered as of January 1, 2015.

Support compliance by removing barriers to seed to sale tracking and entry into OLCC Co-Located Stores. We need language to remove OLCC's LUCS requirement for existing OMMP grow sites. These farms would be adhering to seed to sale tracking, and the OLCC's licensing requirements. This should not interfere with local government's ability to enforce their own land use codes.

Rationale: The state has a large interest in bringing into the system the excess product from OMMP grow sites, and having it all be seed to sale tracked. But as the dispensary market transitions and OHA stores move to OLCC Co-Located stores, there won't be a



sufficient viable market for the excess OMMP product. It needs to come into the OLCC co-located stores, but the OLCC LUCS requirement would currently apply. These growers have been providing essential medicine for patients for years, legally, on their Rural Residential lands operating under a cost recovery model. They must be allowed to continue to do so, and continue to have a legal depository for their excess. With a shortage of OHA dispensaries in the near term, there will be no such place for many growers. They are willing to accept seed to sale tracking through OLCC to alleviate concerns regarding leakage. But they have to be able to qualify for the OLCC Micro Canopy license, and OLCC's LUCS requirement will forbid them from doing so.

Medical cannabis is distinct from recreational pot. This bill envisions allowing recreational producers to sell into OHA stores. That will flood stores with recreational pot, making truly medical cannabis difficult to find for paying patients while also blocking medical growers from being reimbursed.

Medical growers producing medical cannabis provides the most benefit for patients. Recreational producers who are allowed to label some of their product for "medical use" are not going to deliver the strains, potency and response that current medical patients receive from their growers. Growers subsidize this care by taking excess medicine to dispensaries to reimburse expenses from patients who can afford to pay. OSGG is concerned that changes as proposed will lower quality medicine for all patients and many patients will be forced to pay retail prices rather than receiving medicine for free or at low cost.

OSGG supports tax free sales to patients, but it's important to note that the tax is small part of the cost, and even without tax many patients will be unable to afford their medicine if forced to buy it at retail prices.

We appreciate the intention to help preserve access for patients for this higher quality medicine but urge the committee to further protect access by allowing Rec pot to be sold in Rec stores and medical cannabis to be sold in OHA stores. The idea that the only Rec cannabis that can be sold in OHA stores is excess from a "medical bump", while better than allowing unlimited sales, is still going to flood them with lower quality pot.



If OHA enacts their proposed draconian regulations, many patients will be left without a provider. As larger medical growers abandon the OMMP to grow for recreational endeavors, the problem will be exacerbated.

We support efforts to incentivize continued care of patients, and have worked well with Rob Patridge on a proposed compromise in this regard.

The roll back of OHA deadlines is well intentioned but misses the most important group: medical only growers. The draconian new rules proposed by OHA will drastically affect patient access to high quality cannabis. The growers and patients need time to adjust to this new reality, and we believe the OHA needs time to consider the impact these rules will have on the system they are charged with overseeing.