

## Executive Summary

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House Bill 2198 was signed into law in the 2017 Regular Session of the Oregon Legislature and provided that a medical marijuana grow site first registered with the Oregon Medical Marijuana Program (OMMP) on or before August 2, 2017 and subject to tracking in the cannabis tracking system (CTS) administered by the Oregon Liquor Control Commission (the Commission) may transfer up to 20 pounds of usable marijuana annually to recreational marijuana processors and wholesalers licensed by the Commission.

House Bill 2198 additionally granted the Commission authority to temporarily limit or suspend the ability for grow sites to engage in this practice if the Commission determines that:

- Marijuana offered for sale at recreational marijuana Retailers exceeds demand; and
- The market will not self-correct for the excess<sup>1</sup>.

To date, having made no finding of the above, the Commission has not issued an order limiting or suspending the ability for a grow site to engage in these transfers.

In December 2017, in order to facilitate the tracking of the transfers of marijuana from medical grow sites to recreational marijuana licensees as required by state law, the Commission adopted rules requiring a grow site to register with the Commission prior to being allowed to execute a transfer. To register, a grower is required to acknowledge tracking requirements and restrictions and to provide proof of legal access to water to produce marijuana as a commercial crop. There is no fee for this registration.

As of September 4, 2018, the Commission has received ten (10) registrations from grow sites seeking to transfer marijuana into the recreational marijuana system. Because each grow site is limited to transferring 20 pounds to Commission licensees annually, these ten registrations would account for a maximum of 200 pounds of usable marijuana permitted to enter into the recreational marijuana system from the medical marijuana system.

As of September 4, 2018, the total number of registered medical marijuana grow sites in the cannabis tracking system is 820. Of these sites, 642 were first registered as grow sites on or before August 2, 2017. Therefore, if all 642 of these possible eligible sites were to register to transfer marijuana into the recreational marijuana system, the amount of usable marijuana transferred would account for 12,840 pounds, less than 3% of the total amount of usable marijuana available within the tracked recreational marijuana system. Given the current rate of registration submission (10 grow sites of a possible 642,) the actual amount transferred will almost certainly be significantly less than this possible maximum.

No documented transfers of usable marijuana have yet occurred between medical marijuana grow sites and recreational marijuana processors and wholesalers licensed by the Commission.

Given this lack of data within CTS it is too early to determine if the allowable amounts should be increased. Although the Commission has not limited transfers of usable marijuana from grow sites to recreational marijuana licensees, there is similarly no reasonable justification to increase the 20-pound

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<sup>1</sup> Oregon Laws 2017. Chapter 613. Section 8 (2).

## Marijuana Grow Site Transfers to Oregon Liquor Control Commission Licensees Report

limit at this time. The Commission will provide a supply and demand study to the legislature in February 2019 pursuant to its duties under ORS 475B.548, which will provide a more thorough analysis of current recreational marijuana supply in Oregon.

It is the Commission's recommendation that the laws of this state should not allow for any increase or addition to the existing 20-pound transfer limit of Oregon Laws 2017, Chapter 613, and Section 8 (2).

To obtain a paper copy of this report contact the Oregon Liquor Control Commission's Recreational Marijuana program at [marijuana@oregon.gov](mailto:marijuana@oregon.gov).

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