

James KING

April 21, 2017

TO: Joint Committee on Marijuana Regulation

RE: SB 1057

First I would like to thank the committee members for their hard work on this complex issue. It is certainly a challenge addressing the various issues and conflicting view points of the interested parties.

I own a small farm in Rural Marion County that leases space to an OMMP Grower. For the last couple of years I have watched closely my tenant's struggles, the evolution of the OMMP rules and regulations, and the development of the recreational market place. Through these observations I have watched the programs develop in both positive and negative ways.

I see a number of issues facing the commission that SB 1057 offers a frame work to address.

- The desire to track "seed to sale" the products produced by OMMP Growers
- OMMP Patients losing their medications and growers to the recreational market place or economic hardship placed on their former growers
- Leakage to the gray and black markets of medical marijuana products due to limited outlets to engage the legal market place
- Overreach on the part of certain county entities through placing unreasonable restrictions on the farmers wishing to engage this emerging market place

I believe that many of these issues could be solved through a simple amendment to SB 1057.

As you are aware prior to the establishment of the OLCC role in the cannabis market place production was performed by a large number of small growers that formed a relationship with medical marijuana card holders. The model provided free or low cost access to medications to OMMP patients, a vulnerable section of the Oregon population. The excess cannabis produced was sold into the market place to cover production costs, form the foundation for the recreational and medical marketplace, and generate additional revenue for the state.

The current model has largely eliminated the legal market place for OMMP growers as the Medical Dispensaries have shifted to the opportunity to sell to both the recreational and medical markets. OMMP growers are unable under current state laws to engage in sales to these outlets. The growers that have moved under OLCC control have had to sever their relationships and support of OMMP cardholders and the remaining growers are very limited in their ability to cover costs unless they engage the alternative market places. They are either engaging the alter markets or shutting down and leaving their patients without a free or low cost source of their medications. Many of these former patients cannot afford to purchase in the recreational stores.

I propose that an amendment be made to SB 1057 that would allow OMMP Growers certified with OHA the lawful sale of excess cannabis production to the combined medical and recreational outlets selling to the consumer. This simple fix would encourage OMMP growers to maintain the previously established relationship that provided cannabis medications to the card holders while providing growers the funding source to continue operations. This minor change would also provide a legal outlet for

excess OMMP product and discourage it from entering the alternative markets. This amendment could be framed with the requirements that benefit the citizens of the State of Oregon. These requirements could include tracking in the METRC System, taxation on sales into this market at an appropriate rate, and reasonable access to sites to confirm compliance with plant limits. This proposal has limited or no impact to counties that have opted out of the recreational cannabis marketplace and corrects some unintended impacts to the OMMP.

I believe that further changes to the plant limits would further damage the OMMP program. These immature plants provide the ability for growers to offer additional cannabis strains to those consumers that require medications not typically carried in the recreation market. Additionally, it allows these small growers a limited revenue stream through providing immature cannabis plants as a way to cover costs.

As a small farmer I am increasingly alarmed at the actions taken by Oregon County Governments. I agree with and support the Oregon Farm Bureau's position that opening EFU lands to county regulations on time, place, and manner was a mistake. Cannabis is a legal crop in the State of Oregon and as such deserves the same protections as any other crop on designated farm land. Opening the door to county regulation on cannabis is already leading to the erosion of Oregon's Right to Farm laws in regards to other crops.

Respectively Submitted,

James King

Citizen