



Our Mission: The Oregon Cannabis Association (OCA) is the leading professional voice for the cannabis business community in Oregon. We support a broad spectrum of businesses through education, best practices, community engagement and networking while advocating for sensible cannabis policy that promotes health and safety in our communities, excellence in our products and services and compliance at every level of our industry.

Our Members: OCA is comprised of over 150 cultivators, processors, extractors, retailers and allied professional services and vendors who support the legal cannabis business community in Oregon. We are small business owners, job creators and taxpayers who seek a fair playing field for businesses playing by the rules in Oregon.

OCA opposes HB 2198 because it creates an unfair playing field for those small businesses playing by the rules in Oregon.

As the Oregon Cannabis Association has previously testified, any provision that allows medical growers to access the adult-use retail market without conforming fully with OLCC rules gives those growers an unfair advantage over the more than 1,000 family farmers who have applied for OLCC licenses over the last 15 months or the already licensed 500 or more adult use producers. HB 2198 will create this unfair advantage which is why the OCA is opposed to the bill.

Many of those growers have invested hundreds of thousands of dollars in the transition from medical to adult-use cultivation – securing water rights, navigating complex land use requirements, local government licensing, installing comprehensive security systems, and bringing their facilities into full alignment with local building codes. As stated, there are already almost 500 growers licensed by the OLCC and more than 500 additional applications pending. The OHA had a registry of over 33,000 medical grow sites as of April 2017. If even 10% of those growers begin selling into the recreational market, as estimated by proponents of this bill suggest, Oregon will add another, approximately, 33,000–66,000 pounds of cannabis to the recreational supply. As oversupply rises, flower prices will plummet and the small, family-run farms, who are the most vulnerable will see their investments become valueless. Ultimately these businesses will be pushed out simply because other players were allowed to compete with a different set of rules.

Additionally, medical growers will be able to undercut prices of OLCC licensed growers because they have a lower cost of licensure, lower compliance cost, lower start-up cost, lower operating costs. Oregon must give the current programs a chance to work before adding tens of thousands of medical pounds to the market.

oregoncannabisassociation.org

Amy Margolis | (503) 539-4394 | info@orcannabisassociation.org

If the Committee is determined to invite medical growers into the adult-use market, we believe those growers should meet the following conditions:

1. They should satisfy the same land use compatibility requirements as OLCC-licensed growers and should not be allowed to grow for sale into the legal market in areas zoned residential within city limits;
2. They should be allowed to sell no more than 10 pounds of indoor or 15 pounds of outdoor per year to OLCC-licensed wholesalers and processors.
3. The medical product sold into the recreational market should be set aside for OMMP patients only.

We urge the committee to maintain a level playing field and remove the provision in HB 2198 allowing medical growers to sell 20 pounds in the recreational market.