



March 12th, 2019

Re: Amendment -1 to HB 2098
Before: House Committee on Economic Development

Chair Lively and Members of the Committee

The Craft Cannabis Alliance wishes to register our deep concerns with the -1 amendment before you today. In fact, we have named this amendment, which has been offered and rejected previously this session, the “Indentured Servitude Amendment” because it would have the effect of forcing most of our Oregon-owned cannabis farms into a position of profound subservience to out-of-state and foreign-owned corporations, or else force them out of business entirely.

The nature of the cannabis industry makes it virtually impossible for independent producers to pre-sell their crop other than at a deep discount due to the many unknown variables, including (but in no way limited to) quality of finished product, TCH/CBD levels, other testing outcomes, and seasonal market demand. Forcing independent farmers to enter into such agreements as a cost of maintaining their licensure would leave them at the mercy of deep-pocketed companies and would virtually eliminate any chance for them to succeed.

It is certain that whomever is behind this disgraceful attempt to bring the local industry to its knees seeks a competitive advantage in doing so. It is certain as well that they or their representatives will testify that this amendment is but a tool to remedy a saturated market. But make no mistake, this amendment would be a disaster for every non-vertically integrated producer in Oregon, and would strike especially hard against locally owned businesses.

It is not the Legislature’s job to hobble local businesses for the benefit of large corporations, nor to sort out the competitive marketplace by tilting the playing field in favor of distant shareholders. The members of this committee can – and largely do, we believe, seek to support the local producers who are the backbone of an emerging craft industry that will support Oregon families and Oregon communities for generations to come.

Given the disastrous impact that this “Indentured Servitude Amendment” -1 amendment would have on independent farmers and the Oregon cannabis industry as a whole, we respectfully but strenuously urge that you reject it. Thank you.

Adam J. Smith
Founder and Executive Director
Craft Cannabis Alliance