



Thank you Chairman Lively and members of the Committee for the opportunity to testify today. My name is Amanda Metzler, the President of F.A.R.M.S. Inc. We represent legal cannabis farmers in Josephine and Jackson County. The members of our organization banded together and successfully fought Josephine County at LUBA and the Court of Appeals holding the County accountable for just plain bad policy.

Today, however, I would like to discuss the merits of SB218. In order to understand the merits, you must first understand the plight of the current OLCC producer.

Those producers currently licensed are the pioneers of the legal cannabis industry. These producers have had to jump through hoops as rules changed quickly at the State and local levels. These pioneers have had to redesign and reinvest to stay compliant.

For example, the original fencing language stated it had to obscure the view of the plants. The fence had to be 8ft tall and no more than $\frac{3}{4}$ of an inch gap. The citizens responded when all the wooden fences started popping up. Now all that is required is a woven fence (deer fence) that is 6 ft tall. Many spent over \$40,000 on fencing that is now obsolete and not required for new licensees.

In another example, producers were formerly able to dry plants in a greenhouse. I spent over \$60,000 on said greenhouse. Now drying in a greenhouse is not allowed and I will need to build a 24x136x12 foot building for drying. This is another extremely large necessary reinvestment based on a rule change and the need to stay compliant.

And, lets not forget about the required security systems. In the early days of legalization, many of the producers were taken advantage of by security companies. For example, CannaGuard, who was recommended by the State, sold security systems that were marked up over 300%. They then did not provide the required service stated in their contract causing multiple OLCC violations for producers. Producers have been unable to recoup these costs because CannaGuard is out of business and the line is very long of those affected.

The bottom line is that those producers who have been the pioneers of the legal industry are holding on by a thread. These farms put their faith in the State to craft rules and regulations that would create a

thriving industry. We do not hold the State solely accountable for the current state of the industry. How were we all to know what would happen with no limit on producer licenses? The need to temporarily limit producer licenses is real. Limiting producer licenses will begin to remedy the situation by allowing those pioneers to create the needed foundation for the legal industry.

Limiting producer licenses is not a new concept in recreationally legal states. Currently Washington has no plans to open up new producer application windows, while Colorado has set plant limits.

All recreational legal states are facing the same challenges with the black market epidemic. Limiting the number of producer licenses only makes sense until a larger market is opened up.

Finally, F.A.R.M.S. Inc farms represent a portion of the industry that are stewards of the land using sustainable growing practices, holding themselves to a self imposed higher standard while growing the best cannabis in the world. We are working with the Legislature and local government to legitimizing this emerging industry that will have a major affect on Oregon's economy.

I urge you to support the passage of SB218 to protect the budding industry and more importantly the small businesses that you have vowed to defend.