

# Testimony

## Senate Committee on Labor and Business

March 12<sup>th</sup>, 2021

Sweet Grass Inc. Supports SB 408 and Proposes Possible Amendment

### Chair Riley, Vice-Chair Hansell and Committee Members:

Sweet Grass Inc, a Southern Oregon cannabis producer supports **SB 408** and the efforts to create “batch tracking,” which would have a dramatic impact on the industry dramatically reducing costs.

Currently, a typical Tier II producer will grow approximately 1,000-3,000 plants annually with one harvest.

The annual METRC Plant tag cost for a typical Tier II producer is less than \$1000 (2000 tags @ \$0.45 each), but for those planning larger production, the cost can be much higher under the current system.

For example, the projected METRC plant tag cost for Sweet Grass in 2021 is about **\$54,000**.

To further illustrate the current tagging requirements and costs, at 1.5 minutes of labor per plant (which includes the act of tagging each plant, recording the strain name on the tag, and changing growth phase/location in METRC), **tagging 30,000 plants will take 750 hours of work**.

In other words, it would take **a team of 5 people 3 full weeks (at 40hrs/week) to tag every plant**. At a rate of \$20/hour, this **adds an additional \$15,000 in labor costs per harvest**.

Currently, at harvest, each plant must be individually harvested, weighed, and reported to METRC. To maintain compliance, each tag number must be recorded, with the harvest weight of each plant. The labor cost associated with harvesting, weighing, and reporting each plant separately will be around \$15,000-\$20,000 per harvest.

The creation of a “batch tagging” system can dramatically improve the industry through a more efficient and cost-effective system.

Sweet Grass Inc. offers the following solution:

Immature plant batches can currently contain up to 100 individual plants of the same strain. If that number translated into vegetative and flowering batches, **groups of 100 plants could be labeled with a batch number and correspond to a batch tag**.

**Each individual plant would be required to have a plant “batch label”**, which would correspond to a batch in METRC. The tag for each batch of vegetative or flowering plants would be posted in a conspicuous/visible spot near the plants.

Harvest weights would be recorded on a batch basis, 100 plants could be harvested, combined and a total weight for that batch would be entered into METRC.

This would provide an average harvest weight per plant.

Allowing for the creation of a batch tracking system will help support growth of an industry that has proven to be not only an essential industry for our state’s economy, but one of potential rapid growth when cannabis products can be legally sold and exported.