

SB 408-1 Amendments Jesse Sweet Director of Licensing and Compliance Groundworks Industries

March 10, 2021

Chair Riley and Members of the Committee:

Senate Bill 408 addresses several issues related to cannabis. My comments are specific to Section 9 of the -1 amendments which address Marijuana Plant Diversity. I am in favor of the proposed changes in this section and I am neutral as to the other sections.

The Oregon adult-use market produces extraordinary cannabis flower; however, limited means for introducing new plant genetics risks eroding the quality of our products. During the initial years of the adult-use cannabis market, licensed producers were able to introduce new plant genetics under OLCC rules for start-up inventory. New plant genetics have been effectively prohibited since the producer license moratorium was issued in June 2019. Because seed breeders have not joined the recreational market in significant numbers, producers who wish to remain complaint are effectively limited to breeding their own crosses from whatever seeds they had available when first licensed. Additionally, licensed producers how have lost their entire plant inventory via catastrophic event like wildfires have limited opportunities for re-establishing their inventories under current rules.

Consumer demand for cannabis flower is driven by introduction of novel strains, creating a strong economic incentive to produce unique and newly developed plant genetics. Enforcement of rules governing plant origin are inconsistently enforced. OLCC has rightly prioritized serious public safety issues in deploying their resources. As a result, compliant producers suffer economically as their competition introduces new genetics from undocumented sources. The proposed amendments level the playing field.

224 SW 1st AVENUE PORTLAND, OREGON 97204 971.254.4290 GW-IND.COM GROUNDWORKS INDUSTRIES Seeds were previously allowed under the OLCC's start-up inventory rules and I'm not aware of any negative consequences. The proposed Section 9 amendments are limited to seeds only. They permit licensed producers to introduce new genetics while maintaining safeguards against illegal activity. If adopted, these amendments will allow the Oregon cannabis industry to remain at the cutting edge of flower production for decades to come.

Respectfully, Jesse Sweet