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Senator Jeff Golden, Chair Senate Committee on Natural Resources and Wildfire Recovery Oregon State Legislature 900 Court St. NE Salem Oregon 97301

February 10, 2022

Dear Senator Golden and Committee members,

I am writing in support of SB 1564 to pause hemp licenses as outlined in the bill. There is too much ambiguity for state agencies to sort out in the course of trying to manage and regulate both CBD hemp and THC cannabis production in the state.

Conflating hemp and cannabis is an act of subterfuge. The state needs to remove the ambiguity between CBD hemp and THC cannabis. Pausing hemp licensing will give the state time to figure out how to regulate hemp. Perhaps in hindsight, hemp had to be licensed at first just to see how it would interact with THC cannabis so that proper hemp regulation could be enacted. There were many years when THC cannabis was semi-regulated in the OMMP and that period informed the OLCC in its efforts to shape the adult use regulations. Hemp has had a few years to be beta-tested and the results clearly show that a moratorium is needed to work out the kinks.

Because the FDA did not approve CBD for human use, the national hemp market began to shrink in 2019. But then, clever growers figured out they could ape the THC market by processing their CBD into Delta-8 THC and thereby create a market for their hemp. HB 3000 shut down this loop hole by regulating Delta-8 THC – it's a lot cheaper to just grow THC cannabis than to process hemp into Delta-8 THC. The 2021 rush back out of real hemp and into THC cannabis is the result of growers seeking a profitable market. As we know, many growers got the idea of using the ODA hemp program and its licenses as cover for THC cannabis crops. Some THC cannabis growers put up fake signs claiming to grow hemp without having gotten hemp licenses – these were the most clever growers because they would not ever get a visit by the ODA for any kind of testing.

Since the legitimate, real hemp market has shrank so much, there are few growers who would be negatively impacted by the pause; furthermore, since those who had legitimate licenses before June 15, 2021 and passed the HB 3000 testing regime can still get licenses in 2022, there is low concern for negatively impacting growers who wish to enter the ODA hemp program for the first time. Indeed, let's fix the hemp program so that when new growers do enter, it's ready for prime time.

Sincerely,

Christopher Hall

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