

James KING

April 21, 2017

TO: Joint Committee on Marijuana Regulation

RE: HB 2198

First I would like to thank the committee members for their hard work on this complex issue. It is certainly a challenge addressing the various issues and conflicting view points of the interested parties.

I own a small farm in Rural Marion County that leases space to an OMMP Grower. For the last couple of years I have watched closely my tenant's struggles, the evolution of the OMMP rules and regulations, and the development of the recreational market place. Through these observations I have watched the programs develop in both positive and negative ways.

As you are aware prior to the establishment of the OLCC role in the cannabis market place production was performed by a large number of small growers that formed a relationship with medical marijuana card holders. The model provided free or low cost access to medications to OMMP patients, a vulnerable section of the Oregon population. The excess cannabis produced was sold into the market place to cover production costs, form the foundation for the recreational and medical marketplace, and generate additional revenue for the state.

The current model has largely eliminated the legal market place for OMMP growers as the Medical Dispensaries have shifted to the opportunity to sell to both the recreational and medical markets. OMMP growers are unable under current state laws to engage in sales to these outlets. The growers that have moved under OLCC control have had to sever their relationships and support of OMMP cardholders. The remaining growers are very limited in their ability to cover costs unless they engage the alternative market places. They are ether engaging the alter markets or shutting down and leaving their patients without a free or low cost source of their medications. Many of these former patients cannot afford to purchase in the recreational stores.

I am grateful to see these issues being addressed by the committee through HB 2198 and the -17 amendments. The intent of measure 91 was not to drastically change the OMMP program and harm the patients. However, through in the process of moving the recreational market place under the OLCC and the exclusion of the medical grower from selling into the combined market that is exactly the end result. I believe that allowing medical growers limited access to the market place will encourage the reestablishment of the relationship between the medical growers and the card holders. It's critical that there be a legal outlet for surplus product and that patients have access to the free or low cots medications they require. This proven model provides for both. Having a legal market place for OMMP products allows the grower some ability to recapture the costs incurred in providing medications to those that need them the most.

The -17 amendments are a step in the right direction in repairing the damage done to the OMMP program. I believe that 20 pounds per grower annually is too low a number as it only provides very limited cost recovery to the patient's grower that likely will not cover operational costs. I ask that this limitation be increased or worst case that a provision be added that allows for its increase by the commission being formed under SB 2198.

I would furthermore like to refute some of the testimony given at the 5/16/17 meeting by various recreational growers. Allowing such limited access for medical growers to the combined medical and recreational marketplace does not give the medical grower an unfair advantage. The medical grower operating under plant count limitations, card holder relationships, and providing free medications cannot possibly out compete a grower that has an unlimited plant count and large canopy allowance. The recreational grower should be aware of the history of how the cannabis market place evolved, on the backs of and through the efforts of the OMMP Community. The risks were just as high or higher for the pioneers that formed the basis of this market. The medical grower and patients have become the true victims of the OLCC takeover, many have lost everything. The argument that competition will decrease their profitability should equally be dismissed. It is not and should not be the role of state government to insure the profitability of private industry at the expense of other entities or the end consumer.

Please think of what is best for the patients.

Respectfully submitted,

*-James King*