

SB 218 Comments  
Les Helgeson  
March 1, 2018

Chair Riley, Members of the Committee:

I am a Tier I Micro-Producer licensed by the OLCC and have grave concerns about the amendments offered to restrict renewals to those who have at least 90% of production contracted prior to renewal. Indeed, contracts are not typically used in the industry today.

The amendment(s) favor large corporate "vertically integrated" chains that would simply contract with themselves whether or not they could actually sell the product(s) at retail. This creates an extremely unfair competitive advantage over small independent businesses that are the heart and soul of the industry. Indeed, no one would survive other than the largest corporate players who are most responsible for the level of over-production we've seen.

Contracts would therefore do very little to alleviate the excess product currently inventoried but would alternatively do so at the expense of small family farms. And what if retailers refuse to contract a year's worth of supply? Who but large corporate players could afford to take such an unreasonable risk?

In addition, processed material is equally as overabundant as flower so why on earth would we want to direct even more excess product to processors? Indeed, we can't even give material away to processors as is so what are we attempting to accomplish since processors can't sell their inventories?

Alternatively, I am in full support of limiting NEW licenses based on market conditions. Also, redirecting tax revenues to OLCC as M91 envisioned would be prudent. Indeed, the tax might be levied on producers as M91 also envisioned. These measures would partially address overproduction so producers would think about their options. We might also fund OLCC far better than what has resulted from an unwise tax shift from what we voted on.

Sincerely,

Les Helgeson  
Green Hills LLC