



Good afternoon, and thank you Chairman Lively and committee members for the opportunity to speak today.

My name is Amanda Metzler and I am the President of FARMS Inc. FARMS Inc is a corporate non-profit advocating for OLCC craft cannabis farmers.

FARMS Inc was formed in November 2017 in response to the Josephine County Commissioners who were toying around with the idea of limiting or entirely banning cannabis farming on RR lands. The kicker was the Commissioners explicitly stated they would move to deny those farms legally operating an opportunity to apply for non-conforming use status. They passed said ordinance in December 2017 and we immediately filed suit. LUBA issued the fastest decision in history and remanded the ordinance. The County decided to appeal this decision to the Circuit Court where we also prevailed. This is also the County who filed suit in federal court against the State; and the same County who brought forth current HB2382 imposing a tax with the potential to devastate legal cannabis farmers in only four counties.

Industry is built on and fueled by demand for raw product, and in the cannabis industry it is a farmer that is the source. The ENTIRE cannabis industry could not operate without the farmer. Somewhere in the years since legalization, this important fact has been thrown out the window and the farmer is getting a raw deal.

Current industry factors are now forcing them to incur the up-front costs of the cultivation of their crop only to have to consign their product to wholesalers with the hopes of receiving payment months later. Wholesalers are only accepting product on consignment and in most cases turning around and consigning the same product to the dispensary. This scenario leaves our farms acting as banks, loaning product to support the entire cannabis industry supply chain. The farmer is essentially loaning money to both the wholesaler and dispensary to run their businesses.

Farmers do have the ability to sell directly to the dispensary, bypassing the wholesaler except for one HUGE area, extract. If a farmer desires to process their raw buds into an extract, the farmer cannot receive that finished product back to sell because of a current rule. The rule prohibits farms from receiving or accepting any extract products back into their supply chain. The rule forces the farm to use a wholesaler or their processor to sell their product. Currently, many processors are requiring farmers to agree to allow the processor to retain 50% of the extracted product while only paying the farmer the remaining 50% once the processor sells the product. This also places the farmer in the position of acting as an industry banker.

I recently questioned the OLCC on this very issue of farms not being able to intake extract made from their raw material. I was told that the concept for the different license types and how each license would operate was based on how typical agricultural products are sold. The farmer grows the crop, the wholesaler purchases said crop and then sells it to dispensaries or processors. That sounds good in theory but is not working in application.

The current rule reads that wholesalers can intake extract of any form. What is the rationale for farmers to not be able to intake the finished product of their own crop that was processed into extract? This would allow farms to package and sell their extract directly to dispensaries. It should also be noted that farmers currently can package their raw flower and sell it directly to dispensaries. We must ask “why not their extract products?”

This issue is just one we will be addressing. In the essence of time, I will highlight just a few others.

1. Cannabis Farmer Tax – HB2382

We have had some time now to compile real numbers and in the large producing counties of Josephine and Jackson, the county development department, inspectors, and law enforcement are burdened with the addition of an overwhelming growing black market situation. These departments must have funding to continue to perform the work the federal government is mandating.

The law enforcement grant is a good start but it is time to revisit the formula.

2. Employee Issues re: false complaints and sabotage

There is an epidemic of former or even current employees making false complaints, for example to the OLCC, to workers comp, or to OSHA out of retaliation or just plain nastiness. There is no current rule where the OLCC can suspend or even revoke said employee’s workers permit for these sorts of issues.

3. Export out of state

4. Over supply

FARMS Inc is interested in providing solutions. We will never oppose a bill without offering an alternate solution. We look forward to sitting down at the table to hammer out something that makes sense and in most cases that involves a compromise.

We have been able to successfully achieve compromise at the County level and we look forward to working on solutions at the State level. It is imperative we protect the farms responsible for one of our greatest renewable resource; the best sun-grown cannabis in the world!