

Submitter: Jeff Beadle

On Behalf Of:

Committee: Senate Committee On Natural Resources and Wildfire Recovery

Measure: SB1564

I am writing to express my opposition to SB 1564. As a business owner that has been an ODA registered Hemp Handler since 2017, I can say that hemp is a nationwide industry that is difficult to navigate, and is very competitive. Hemp businesses have had to be very agile in order to succeed, and the restrictions proposed in SB 1564 are going to make it harder on those Oregon-based small businesses that have acted reasonably and responsibly in response to the unprecedented market changes of the hemp industry in the last 2 years.

Businesses, like mine, that have already adjusted their business models in response to supply and demand, are firmly in the cross-hairs of this legislation. In 2019 my company registered and grew hemp in Oregon, and some time after harvest it became apparent that the national market was drastically oversupplied. This oversupply happened just as the COVID-19 global pandemic was starting, and the level of uncertainty in the hemp market quickly reached an all-time high. This uncertainty forced us to cancel our 2020 grow and focus on finding sales outlets for our existing material. We have worked tirelessly over the last few years, through a pandemic, through political turmoil, and through ever-changing hemp regulations in order to build distribution channels that are robust and able to support our operations. This proposed legislation would negate the progress that we have made.

We have had success building out our distribution, and are targeting 2023 as the year that we will be able to grow again in Oregon with the full confidence that we can sell all of our hemp through the distribution channels that we have built over the last few years. We probably could have grown this year and been just fine, but the decision was made to hold off until we know without a doubt that we will easily be able to balance out our supply and demand. Because we have already adjusted for supply and demand, and did not apply for a grower's license for 2022, if this bill passes we would be unfairly locked-out of growing for an unspecified amount of time.

SB 1564 would lay waste to our business plan that we have worked so hard over the course of years to achieve. By denying any new industrial hemp grower licenses, the state will effectively be forcing us to either buy material from other Oregon hemp growers (who could be growing in 2022 for the first time, and based purely on speculation!), or go out of state for our production or commodity needs. Both of these options will raise our costs considerably, and we will lose control over the process of the grow and therefore the quality control over our product. This will cause increased overhead, decreased confidence in our product, and will negatively affect sales.

Hemp is a national and international market, and SB 1564 would do nothing to address over-production of hemp outside of Oregon, but would rather punish those of us Oregonians that have worked hard for years trying to navigate the ever-changing regulations of this industry. If this bill were to pass, it will unfairly harm any Oregon hemp business that has adjusted and pivoted their plans in the last two years as a free market response to supply and demand - which is almost all of them that are still in business! I implore you not to pass SB 1564 - the market has, and will, adjust for supply and demand by itself, without the need for further government regulation.

Regards,

Jeff Beadle