



The Oregon Hemp Industry Supports Solutions to Stop Illegal Cannabis Grows

Oregon's legal hemp industry has been proactive in helping in the fight to stop illegal grows. In 2021, we worked closely and supported the work undertaken through HB 3000 to increase regulation and enforcement under Oregon's legal hemp program to increase penalties, ensure illegal growers are caught and kicked out of the program, and increase enforcement across the state.

Through that program, ODA has hired several new enforcement personnel and successfully completed "Operation Table Rock" in Southern Oregon to locate and enforce against any hemp growers who were not in compliance with Oregon's hemp program. We are grateful that ODA caught the 22% of Southern Oregon growers who were illegally growing marijuana, and are issuing civil penalties and denying these illegal operators from reapplying to participate the program. We support administrative action against the additional 34% of growers who were out of compliance with ODA's hemp program, but growing hemp nonetheless. **That these cases were caught and addressed shows that HB 3000 implementation is working as intended, and is succeeding in addressing the bad actors within the ODA hemp program.** We have attached ODA's official report on Operation Table Rock.

We are proud of the work that we have done under HB 3000 to hold our industry to high standards, and stand ready to help ensure that illegal growers do not find any shelter within the legal ODA and OLCC programs for their activities. **With that in mind, our coalition supports:**

- **HB 1541** – Increased funding for law enforcement to address illegal cannabis activity.
- **HB 4074** – Support for victims of trafficking, ensuring complaint lab tests, and making other adjustments to the cannabis programs.

However, we caution the legislature against taking action that will not curtail illegal use, but may negatively impact those acting compliantly in the legal market.

- **To that end, we have significant concerns about the proposed hemp moratorium in HB 4016 and SB 1564 following on the heels of HB 3000's successes in locating and kicking bad actors out of the ODA hemp program.**

Given that we have done the hard work in negotiating higher enforcement and penalties under the ODA program, and ODA's report demonstrates that enforcement is occurring, we do not see a need to curtail new applications to the ODA hemp program. This is even more true given that registrations to the program are rapidly declining as the market evens out, meaning that ODA has adequate time to spend on any new applications into the program. We note that there was a decline of 88.6% of the number of acres licensed for hemp production in Oregon from 2019 to 2021 (source Whitney Economics).

We are also working with the proponents of the hemp lien provisions in **HB 4016** and **SB 1587** on amendments that will ensure that those provisions only target illegal operators and those who knowingly lease land to them, not innocent landlords who are trying to address any illegal activity they uncover.

Top 10 Ten Hemp States by Acres Registered (2019-2021)

Rank	State	Licensed Acres 2019	Rank	State	Licensed Acres 2020	Rank	State	Licensed Acres 2021
1	Colorado	80,000	1	Colorado	62,187	1	New York	33,034
2	Oregon	64,142	2	Tennessee	51,000	2	Illinois	22,961
3	Kentucky	60,000	3	Arizona	34,035	3	Missouri	21,928
4	Montana	53,000	4	California	32,505	4	Colorado	21,082
5	Wisconsin	38,300	5	Kentucky	32,106	5	Florida	17,462
6	Tennessee	38,000	6	New York	30,411	6	Arizona	14,820
7	Michigan	25,000	7	Oregon	27,662	7	Kentucky	12,085
8	Oklahoma	21,635	8	Illinois	26,264	8	Virginia	9,736
9	North Carolina	14,400	9	Missouri	21,836	9	Oregon	7,339
10	Illinois	12,949	10	Florida	18,327	10	North Carolina	6,279

Oregon	2019	2021	Difference
Acres Licensed	64,142	7,339	-88.6%
Pounds per acre	2,000	2,000	
Capacity (Pounds)	128,284,000	14,678,000	
CBD % used in Valuation	10	10	
Price per pound @10%	\$ 42.90	\$ 1.50	
Value of biomass capacity	\$ 5,503,383,600	\$ 22,017,000	-99.6%

For questions, please contact:

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