

Oregon has oversupply of legal pot

By Gillian Flaccus and Kathleen Foody
Associated Press

PORTLAND, Ore. (AP) — Two of the first states to broadly legalize marijuana took different approaches to regulation that left Oregon with a vast oversupply and Colorado with a well-balanced market. But in both states prices for bud have plummeted.

A new Oregon report by law enforcement found nearly 70 percent of the legal recreational marijuana grown goes unsold, while an unrelated state-commissioned Colorado study found most growers there are planting less than half of their legal allotment — and still meeting demand.

The reports offer case studies for California and other pot-friendly states as they ramp up their legal pot industries. They also underscore some key differences in how broad legalization was handled that have helped shape differently evolving markets in each state.

The Oregon study released by the Oregon-Idaho High Intensity Drug Trafficking Area — a coalition of local, state and federal agencies — includes the medical and general-use markets and the illegal market, despite gaps in data on illicit marijuana grows.

It noted Oregon still has a serious problem with out-of-state trafficking and black market grows — and the top federal law enforcement officer in Oregon demanded more cooperation from state and local officials Thursday in a strident statement.

“What is often lost in this discussion is the link between marijuana and serious, interstate criminal activity. Overproduction is rampant, and the illegal transport of product out-of-state — a violation of both state and federal law — continues unchecked,” said Billy Williams, U.S. Attorney for Oregon. “It’s time for the state to wake up, slow down and address these issues in a responsible and thoughtful manner.”

The Colorado study, released Thursday, focuses on the legal, general-use market, and researchers at the University of Colorado Boulder’s business school and a Denver consulting firm had access to state tracking data to produce the first-of-its-kind analysis.

Colorado sales of broadly legalized marijuana began in 2014, roughly two years before Oregon allowed marijuana to be sold at non-medical retail stores. From the beginning, Colorado had

stricter regulations for its growers than Oregon did.

Colorado gave existing medical marijuana growers the right of first refusal for licenses, cutting down right away on a potential source of black market production. The state also requires growers to show they have sold 85 percent of their output before allowing them to expand their growing operation, said Beau Whitney, senior economist at national cannabis analytics firm New Frontier Data.

“That was the right approach, and we’ve made that recommendation to other state regulators to do that because if you exclude the medical folks from entering the market, then there could be propensity for diversion” to the black market, he said.

“Colorado has done a good job in sizing the market. In Oregon, it’s going to take a while for that balance to be established.”

Oregon didn’t give existing medical marijuana growers priority over new applicants as Colorado did, and it also didn’t cap licenses. That created a perfect storm of endless licenses for all comers paired with less incentive for medical growers to enter the new industry.

In June, the Oregon Liquor Control Commission, which oversees general-use marijuana, did put a pause on issuing new grow licenses to work through a months-long backlog of applicants. The Legislature will likely consider steps to get a handle on oversupply in the 2019 session.

The Pacific Northwest state also had to contend with a long-entrenched culture

of illegal marijuana cultivation along its border with California, where there are near-perfect outdoor growing conditions. That tradition of illicit marijuana has created a nightmare for law enforcement agencies in rural, heavily forested counties already stretched thin by budget cuts.

The Oregon report, for example, noted nearly 15,000 pounds (6,800 kilograms) of marijuana with a street value of \$48 million has been seized heading to 37 other states. That doesn’t include illegal pot snagged at Portland International Airport.

“I know a lot of the legal industry in Oregon has been asking for stepped-up enforcement to combat illegal operations, but there doesn’t appear in those conversations a clear owner of the law enforcement,” Whitney said.

Although Colorado has been more successful in finding a balance between supply and demand, retail prices for bud, or marijuana flower, have plummeted in both states about 50 percent since 2015.

That statistic could be deceiving, however, because most growers are now cultivating their crop for conversion into the increasingly popular oil extracts that wind up in everything from soaps to vape pens to edible gummies to salves. It takes 10 times more dried flower to make an oil extract and much of the dried flower is going to that market, Whitney said.

Mark Barringer & Bob Baker
Playing in the Lounge at **Chops Bistro** (370 E Cascade Ave.)
Saturday, September 1
6 to 8 p.m.
Come join us!

HARDTAILS BAR & GRILL
FREE LIVE MUSIC!
Saturday, Sept. 1
7 to 10 p.m.
The HWY. 97 Band
for Classic Rock & More!
175 N. Larch St.
541-549-6114
hardtailsoregon.com
Facebook darcymacey

Reserved
FOLK FESTIVAL IS HERE!
Visit us at the restaurant or our food booth at Sisters Art Works.
Cheers! The Porch Crew
THE PORCH
541-549-EATS (3287)
243 N. Elm St. Sisters
Tues.-Sun., 5-9 p.m. • Walkins welcome!

SISTERS ENTERTAINMENT & EVENTS

WED...AUG. 29

Sisters Saloon Poker Night 7 p.m. Every Wednesday! \$20. For additional information call 541-549-7427 or go online to sistersssaloon.net.

Food Cart Garden at Eurosports Trivia Night 6:30 to 7:30 p.m. Sign-up is at 6:15 p.m. Final Trivia Night of the summer! For additional information call 541-549-2471.

THURS...AUG. 30

Cork Cellars Tasty Thursday Hosted Wine Tasting 5 to 7 p.m. For more information call 541-549-2675 or go to corkcellarswinebistro.com.

Sisters Saloon Karaoke Night 9 p.m. to midnight. Every Thursday, no cover! For information call 541-549-7427 or go to sistersssaloon.net.

FRI...AUG. 31

Food Cart Garden at Eurosports Live Music with Juju Eyeball 5 to 7 p.m. Final show of this summer with the Beatles tribute band, no cover! For info call 541-549-2471.

Black Butte Ranch Art at the Ranch Artists' Reception, Silent Auction, & Live Music with Coyote Willow 5:30 to 7:30 p.m. at The Lodge. For information go online to blackbutteranch.com.

Hardtails Bar & Grill Karaoke Night 9 p.m. Every Friday, no cover! For more information call 541-549-6114 or go to hardtailsoregon.com.

Fir Street Park Sisters Farmers Market 2 to 5:30 p.m. Fresh on Fridays, through September! For info go to sistersfarmersmarket.com.

SAT...SEPT. 1

Hardtails Bar & Grill Live Music with The HWY. 97 Band 7 to 10 p.m. FREE show! For more information call 541-549-6114 or go online to hardtailsoregon.com.

Chops Bistro Live Music with Mark Barringer & (Fiddler)Bob Baker 6 to 8 p.m. No cover! For additional information call 541-549-6015.

Oak & Main Sisters Fall Street Festival 10 a.m. to 5 p.m. Featuring arts, crafts, antiques, food, beer/wine garden and entertainment. For info call 541-420-0279 or go to centraloregonshows.com.

Black Butte Ranch Art at the Ranch Art Fair 10 a.m. to 4 p.m. at the Lakeside Promenade. With **Plein Air Paint Out** 9 a.m. to 2 p.m. at the Lakeside Lawn. **Live Music by The Anvil Blasters** 11 a.m. to 1 p.m. **Live Music by Honey Don't** 1 to 4 p.m. For more information go online to blackbutteranch.com.

Cork Cellars Live Music! 7 to 9 p.m. No cover! For info call 541-549-2675 or go online to corkcellarswinebistro.com.

SUN...SEPT. 2

Oak & Main Sisters Fall Street Festival 10 a.m. to 4 p.m. Featuring arts, crafts, antiques, food, beer/wine garden and entertainment. For info call 541-420-0279 or go to centraloregonshows.com.

Sisters Saloon Open Mic Night 8 to 10 p.m. Free, every first and third Sunday! For information call 541-549-7427 or go to sistersssaloon.net.

MON...SEPT. 3

Hardtails Bar & Grill Open Mic & Jam Night 7 p.m. Every Monday, no cover! For additional information call 541-549-6114 or go online to hardtailsoregon.com.

Sisters Saloon Painting Party 6 to 8 p.m. \$35, every Monday! For additional information call 541-904-5280 or go to sistersssaloon.net.

TUES...SEPT. 4

Sisters Saloon Trivia Night 6:30 to 7:30 p.m. Sign-up is at 6:15 p.m. Free, every Tuesday! For information call 541-549-7427 or go to sistersssaloon.net.

WED...SEPT. 5

Sisters Saloon Poker Night 7 p.m. Every Wednesday! \$20. For information call 541-549-7427 or go to sistersssaloon.net.

THURS...SEPT. 6

Cork Cellars Tasty Thursday Hosted Wine Tasting 5 to 7 p.m. For additional information call 541-549-2675 or go online to corkcellarswinebistro.com.

Sisters Saloon Karaoke Night 9 p.m. to midnight. Every Thursday, no cover! For additional information call 541-549-7427 or go to sistersssaloon.net.

FRI...SEPT. 7

Venues throughout Sisters Sisters Folk Festival It's the 22nd annual celebration of American music! For more information call 541-549-4979 or go to sistersfolkfestival.org.

Hardtails Bar & Grill Live Music with Fun Bobby 9 p.m. to midnight. FREE show! For more information call 541-549-6114 or go online to hardtailsoregon.com.

Raven Makes Gallery Artist's Reception with Native Yup'ik Sculptor Teresa White 4 to 7 p.m. See her beautiful bronze pieces and ceramic masks. For more information call 541-719-1182 or go online to ravenmakesgallery.com.

Fir Street Park Sisters Farmers Market 2 to 5:30 p.m. Fresh on Fridays, through September! For info go to sistersfarmersmarket.com.

SAT...SEPT. 8

Hardtails Bar & Grill Live Music with Jukebox Heroes 9 p.m. The premier Foreigner tribute band! \$10 in advance or \$15 at the door. Tickets at bendticket.com or Hardtails. For info call 541-549-6114 or go to hardtailsoregon.com.

Paulina Springs Books Author Reading with Apricot Irving 6:30 p.m. Debut author Irving will read from and sign her memoir, "The Gospel of Trees." For more information call 541-549-0866 or go to paulinasprings.com.

Venues throughout Sisters Sisters Folk Festival It's the 22nd annual celebration of American music! For more information call 541-549-4979 or go to sistersfolkfestival.org.

Cork Cellars Live Music! 7 to 9 p.m. No cover! For info call 541-549-2675 or go online to corkcellarswinebistro.com.

Event listings are free to advertisers. Submit items by 5 p.m. Fridays to lisa@nuggetnews.com