

People & Places

Cashing in on 'cannabiz'

William Simpson aims to capture Oregon's new marijuana market

By ERIC MORTENSON
Capital Press

PORTLAND — Chalice Farms, one of Oregon's emerging agricultural enterprises, has its headquarters in a business park near Portland International Airport, with not a crop row, tractor or barn in sight.

But make no mistake, the state's marijuana growers consider themselves farmers, and believe the products they make to smoke, vape or eat are a form of the value-added processing many other farms undertake.

William Simpson, founder and CEO of Chalice Farms, perhaps the showiest of the state's "cannabiz" cadre, wouldn't have it any other way.

Simpson says marijuana — he prefers to call it cannabis — is a cash crop, with fertilizer, irrigation, soil, pesticide and harvest issues like any other — even when it's grown inside metal warehouse buildings in industrial parks.

But pot producers don't have a "big ag" mentality, he said. They're more like Oregon's craft beer, wine or cider industries, with an emphasis on quality over quantity. "It's awesome," he said. "Cannabis is no different."

In his four retail dispensaries in the Portland area, Simp-



Eric Mortenson/Capital Press

William Simpson, founder and CEO of Chalice Farms, is seen at his headquarters near Portland International Airport. "We love and believe in this business and know for it to be successful, we must be willing to track and account for our product to ensure that we don't have diversion into the black market," he says.

Simpson wants to give customers an experience like they might get while visiting a wine-tasting room, with clerks able to describe pot like it was a Pinot.

Simpson, a self-described "serial entrepreneur," operates from a 24,000-square-foot headquarters near the airport that includes a retail store, shipping area, lab, test kitchen and corporate offices. He's planning to develop a large greenhouse complex in Northwest Portland to grow more pot, hired a botanist to work on plant development and employed a chef to come up with edible pot products. One of Chalice Farms' products is cannabis infused, chocolate covered hazelnuts.

Oregon is awash in small storefronts selling recreational and medical marijuana, but Simpson expects some or many of them to wash out over time.

He's positioning Chalice Farms for the long haul, with a vertically integrated operation that grows, processes and sells a wide range of cannabis products. He said his jump start on the competition comes from \$10 million in seed money provided by an "angel investor" in Illinois.

Business is brisk, but is hampered by federal laws that still consider marijuana a Schedule I narcotic even as more states approve it for medical or recreational use. Simpson said Chalice Farms grosses nearly \$750,000 a month, but Section 280E of the IRS tax code prevents cannabis companies from writing off business expenses associated with drug "trafficking."

"Even if we do well we're going to lose money because of tax code 280E," he said.

Marijuana businesses are taking their lumps for now, hanging on and trusting that federal policy will eventually change.

He said cannabis is "by far the most valuable crop in the state" and, due to a tax on sales, will add more tax dollars than all the traditional crops."

Simpson said when Oregon



Western Innovator

William Simpson

Occupation: Founder and CEO of Chalice Farms, a Portland-based company that grows, processes and sells marijuana products for smoking and eating.

Personal: Age 36, married, two children. Lives in West Linn, Ore.

Background: Originally from Grants Pass, Ore., but lived for a time in Hawaii and Mexico before attending high school in West Linn, a suburb of Portland. Played football, wrestled, was into surfing, snowboarding and mixed martial arts. A friend suggested he try cannabis to ease the aches of sports injuries. He found it worked better and was less debilitating than pain pills.

Turning point: He applied for an Oregon medical marijuana card in order to grow his own supply, and found he had a green thumb. Poured himself into learning everything he could about growing cannabis. "I started geeking out," he says with a laugh.

Department of Agriculture officials came to visit his facility, they remarked, "Welcome to the family."

CHS Foundation awards \$100,000 in college scholarships

The CHS Foundation has awarded \$100,000 in scholarships to high school seniors pursuing an agricultural-related degree or STEM — Science, Technology, Engineering, Math — fields of study with an interest in agriculture.

Each of the 100 recipients will receive a \$1,000 scholarship.

The foundation is the major giving entity of CHS Inc., the nation's leading farmer-owned cooperative.

"CHS and the CHS Foundation are dedicated to a variety of programs that support the next generation of leaders in agriculture," said Linda Tank, president of the CHS Foundation, in a press release. "We are proud

to support these young leaders as they pursue their education and explore the many diverse opportunities the agriculture and energy industries have to offer."

This year's scholarship winners represent 25 states. Following are those from Western states:

California

Julia Pitman, Oklahoma Panhandle State University

Lexie Schultz, California State University of Fresno

Kelsey Swall, California State University of Fresno

Jacob Willhite, California Polytechnic State University

Colorado

Tabor Kalcevic, Colorado State University

Tyllor Ledford, Texas Tech University

Kaitiyan Reed, University of Wyoming

Idaho

Eric Ball, University of Idaho

Hailey Hampton, University of Idaho

Gretchen Hansten, University of Idaho

Kristin Nesbitt, University of Idaho

Montana

Kendall Carpenter, Montana State University-Bozeman

Karly Hanson, Casper College

Chantz Hubing, Miles Community College

Brittany Whiteman, Sheridan College

Oregon

Brady Linnell, Colorado State University

Washington

Kayla Beechinor, Washington State University

Hallie Galbreath, Utah State University

Emily Greene, Washington State University

Madison Harder, Washington State University

Dalton Keller, Washington State University

Taylor Kulm, Washington State University

Luke Moore, Washington State University

Dane Schwartz, Washington State University

Agriculture Secretary Vilsack joins fight against opioid addiction

By JONATHAN MATTISE
Associated Press

ABINGDON, Va. — Kicking off a national tour on opioid addiction, Agriculture Secretary Tom Vilsack brought together the governors of Tennessee and Virginia on June 30 to talk about stemming Appalachia's drug abuse epidemic.

The town hall reinforced President Barack Obama's call for Congress to pump \$1.1 billion more into sub-

stance abuse treatment. It also was an opportunity to show that governors of opposite parties want to expand Medicaid under the Affordable Care Act, despite Republican efforts to stop them.

Democratic Virginia Gov. Terry McAuliffe and Republican Tennessee Gov. Bill Haslam see solutions in a mix of treatment, prescription monitoring, drug courts, education and new economic opportunities.

West Virginia leads the na-

tion in drug overdose deaths, with 35.5 per 100,000 people. Kentucky has the fourth-highest toll and Tennessee the 11th, according to the U.S. Centers for Disease Control and Prevention.

"It's everybody's problem," McAuliffe said. "Of course, we need money."

Vilsack said Appalachians need more opportunities as the region's once-dominant coal industry crumbles. He cited Obama administration plans to facilitate the transi-

tion from extractive industries to more sustainable jobs in areas such as new manufacturing, small farms and conservation.

"You're going to see a different attitude, I believe, in smaller communities," Vilsack said. "You're going to see a more hopeful, more futuristic, things-are-going-to-get-better kind of attitude."

Many in Appalachia blame Obama's climate-change strategy of limiting pollution

from coal-fired power plants for the region's job losses. West Virginia's unemployment rate the worst in the country.

Brutal economics dictate a grim future for coal, even without the carbon rules. Declining prices for natural gas and renewable energy, thinning Appalachian seams, competition from other U.S. coal regions and dim markets both domestically and abroad are all hastening the industry's decline.

Calendar Sponsored by: **OXARC** GASES / WELDING / SAFETY / FIRE



www.oxarc.com 20 Northwest Locations 1-800-765-9055

To submit an event go to the Community Events calendar on the home page of our website at www.capitalpress.com and click on "Submit an Event." Calendar items can also be mailed to Capital Press, 1400 Broadway St. NE, Salem, OR 97301.

Saturday, July 9

California State Fair, 1600 Exposition Blvd., Sacramento, 916-263-FAIR, <http://www.castatefair.org/>

Marion County Fair, 10 a.m.-11 p.m., Oregon State Fairgrounds, Salem, 503-585-9998, <http://www.co.marion.or.us/CS/Fair>

Sunday, July 10

California State Fair, 1600 Exposition Blvd., Sacramento, 916-263-FAIR, <http://www.castatefair.org/>

Marion County Fair, 10 a.m.-6 p.m., Oregon State Fairgrounds, Salem, 503-585-9998, <http://www.co.marion.or.us/CS/Fair>

July 11-July 24

California State Fair, 1600 Exposition Blvd., Sacramento, 916-

263-FAIR, <http://www.castatefair.org/>

Tuesday, July 26

FSPCA Preventive Controls for Human Food Course, 8 a.m.-5 p.m. Yanke Family Research Center, 220 E. Parkcenter Blvd., Boise, Idaho. The new FSMA regulation requires every processing facility to have a trained resource person or "Preventive Controls Qualified Individual" who has completed a specialized training course such as the one developed by the Food Safety Preventive Controls Alliance (FSPCA) that is recognized by the FDA. This person will oversee the implementation of the facility's food safety plan and other key tasks. www.techhelp.org/events/279/fspcaboisejuly2016/

Wednesday, July 27

Fresno Food Expo, 8 a.m.-8 p.m., Fresno, Calif., Convention & Entertainment Center. <http://www.fresnofoodexpo.com>

Hood River County Fair, noon-11 p.m. Hood River County Fairgrounds, 3020 Wy'east Road, Hood River, Ore. Gates open at noon each day, carnival rides be-

gin at 1 p.m. General admission is \$8 per adult Wednesday and Thursday, and \$10 per adult on Friday and Saturday. Children ages 6-12 (inclusive) are admitted for \$3 every day; children younger than 6 are admitted free. Season tickets are available (\$30 for adults, \$10 ages 6-12 inclusive). Fair parking is free.

FSPCA Preventive Controls for Human Food Course, 8 a.m.-5 p.m. Yanke Family Research Center, 220 E. Parkcenter Blvd., Boise, Idaho. The new FSMA regulation requires every processing facility to have a trained resource person or "Preventive Controls Qualified Individual" who has completed a specialized training course such as the one developed by the Food Safety Preventive Controls Alliance (FSPCA) that is recognized by the FDA. This person will oversee the implementation of the facility's food safety plan and other key tasks. www.techhelp.org/events/279/fspcaboisejuly2016/

Thursday, July 28

Fresno Food Expo, 8 a.m.-8 p.m., Fresno, Calif., Convention &

Entertainment Center. <http://www.fresnofoodexpo.com>

Hood River County Fair, noon-11 p.m. Hood River County Fairgrounds, 3020 Wy'east Road, Hood River, Ore. Gates open at noon each day, carnival rides begin at 1 p.m. General admission is \$8 per adult Wednesday and Thursday, and \$10 per adult on Friday and Saturday. Children ages 6-12 (inclusive) are admitted for \$3 every day; children younger than 6 are admitted free. Season tickets are available (\$30 for adults, \$10 ages 6-12 inclusive). Fair parking is free.

FSPCA Preventive Controls for Human Food Course, 8 a.m.-5 p.m. Yanke Family Research Center, 220 E. Parkcenter Blvd., Boise, Idaho. The new FSMA regulation requires every processing facility to have a trained resource person or "Preventive Controls Qualified Individual" who has completed a specialized training course such as the one developed by the Food Safety Preventive Controls Alliance (FSPCA) that is recognized by the FDA. This person will oversee the implementation of the facility's food safety plan and other key tasks.

www.techhelp.org/events/279/fspcaboisejuly2016/

Friday, July 29

Hood River County Fair, noon-11 p.m. Hood River County Fairgrounds, 3020 Wy'east Road, Hood River, Ore. Gates open at noon each day, carnival rides begin at 1 p.m. General admission is \$8 per adult Wednesday and Thursday, and \$10 per adult on Friday and Saturday. Children ages 6-12 (inclusive) are admitted for \$3 every day; children younger than 6 are admitted free. Season tickets are available (\$30 for adults, \$10 ages 6-12 inclusive). Fair parking is free.

Saturday, July 30

The Great Oregon Steam-Up, 9 a.m.-5 p.m. The Great Oregon Steam-Up is the largest event at Antique Powerland during the year and it involves all of the museums and many other participants. One of the unique aspects of the event is that most of the equipment is operating. 3995 Brooklake Road NE, Brooks, Ore. Daily admission \$12 per person, 12 and under free. www.antiquepowerland.com/html/steam-up.html

Capital Press

Established 1928
Board of directors
Mike Forrester President
Steve Forrester
Kathryn Brown
Sid Freeman Outside director
Mike Omeg Outside director

Corporate officer
John Perry
Chief operating officer

Capital Press Managers
Mike O'Brien Publisher
Joe Beach Editor
Elizabeth Yutze Sell Advertising Director
Carl Sampson Managing Editor
Barbara Nipp Production Manager
Samantha McLaren Circulation Manager

Entire contents copyright © 2016
EO Media Group
dba Capital Press

An independent newspaper
published every Friday.

Capital Press (ISSN 0740-3704) is published weekly by EO Media Group, 1400 Broadway St. NE, Salem OR 97301.

Periodicals postage paid at Portland, OR, and at additional mailing offices.

POSTMASTER: send address changes to Capital Press, P.O. Box 2048 Salem, OR 97308-2048.

To Reach Us

Toll free 800-882-6789
Main line 503-364-4431
Fax 503-370-4383
Advertising Fax 503-364-2692

News Staff

N. California
Tim Hearden 530-605-3072

E Idaho

John O'Connell 208-421-4347

Idaho

Carol Ryan Dumas 208-860-3898

Boise

Sean Ellis 208-914-8264

Central Washington

Dan Wheat 509-699-9099

E Washington

Matthew Weaver 509-688-9923

Oregon

Eric Mortenson 503-412-8846
Mateusz Perkowski 800-882-6789

Graphic artist

Alan Kenaga 800-882-6789

To Place Classified Ads

Ad fax 503-364-2692
or 503-370-4383
Telephone (toll free) 866-435-2965
Online www.capitalpress.com/classifieds

Subscriptions

Mail rates paid in advance
Easy Pay U.S. \$3.75/month (direct withdrawal from bank or credit card account)
1 year U.S. \$49.99
2 years U.S. \$89.99
1 year Canada \$275
1 year other countries call for quote
1 year Internet only \$49.99
1 year 4-H, FFA students and teachers \$30
9 months 4-H, FFA students & teachers \$25
Visa and Mastercard accepted

To get information published

Mailing address:
Capital Press
P.O. Box 2048
Salem, OR 97308-2048

News: Contact the main office or news staff member closest to you, send the information to newsroom@capitalpress.com or mail it to "Newsroom," c/o Capital Press. Letters should be limited to 300 words. Deadline: Noon Monday.

Letters to the Editor: Send your comments on agriculture-related public issues to opinions@capitalpress.com, or mail your letter to "Opinion," c/o Capital Press. Letters should be limited to 300 words. Deadline: Noon Monday.

Capital Press ag media

www.capitalpress.com
www.FarmSeller.com
www.AgDirectoryWest.com
marketplace.capitalpress.com
www.facebook.com/capitalpress
www.facebook.com/farmseller
www.facebook.com/onlyAGdotcom
twitter.com/capitalpress
www.youtube.com/capitalpressvideo
www.blogiculture.com

Index

Dairy 9
Livestock 9
Markets 13
Opinion 6

Correction

Washington state's partners in managing newly acquired land were misidentified in a story on page 7 of the July 1 edition. The Eastern Klickitat Conservation District and Central Klickitat Conservation District will be the Washington Department of Fish and Wildlife's partners in managing 3,613 acres in the Simcoe Mountains in Klickitat County. The Fish and Wildlife Commission voted to acquire the land June 10. The Capital Press regrets the error.