

Hemp: First-time growers are learning about hemp as they go

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cannabidiol, or CBD, an extract made from the flowers that is said to have multiple health benefits. Hemp fiber from the stalks can also be used to make paper, textiles, building materials and food ingredients, among other products.

“I don’t think they’ve even truly reached the scope of potential for what this biomass can be used for,” McGill said.

While the average cost of growing hemp is estimated at between \$8,000 and \$15,000 per acre, farmers can bring in upward of \$50,000 per acre, depending on the markets and yields. The promise is so great that McGill recently left his day job at an irrigation supply company to become a full-time farmer.

But the high potential rewards of growing hemp are accompanied by equally high risks.

First-time growers such as McGill are learning about hemp as they go, and mistakes can be costly, putting huge dents in their yields. Federal regulations are still being written that could crimp the industry, and this year’s early rains across the Willamette Valley have threatened to ruin whole fields with mold.

In Central Oregon, a devastating hail storm has already caused an estimated \$25 million in hemp crop losses.

Yet farmers remain optimistic.

“With all of the research we’ve done, the payback on this crop is fairly significant,” McGill said. “We were willing to take the risk this year to see if that’s true.”

New crop

Like marijuana, hemp is a member of the cannabis family, though under law it can contain no more than 0.3% tetrahydrocannabinol, or THC, the psychoactive component that gets users high.

In 1970, President Richard Nixon signed the Controlled Substances Act that banned the cultivation of all cannabis, including hemp. The ban remained in place for over four decades, until the 2014 Farm Bill allowed state legislatures to decide if they wanted to allow and regulate production.

Oregon issued its first hemp grower’s license in 2015. By last year, the state had 584 registered growers and 11,754 acres.

The 2018 Farm Bill and the Hemp Farming Act of 2018 finally legalized hemp nationwide. Since then the number of growers and acres in Oregon has



George Plaven/Capital Press File

Jay Noller, left, director of the Global Hemp Innovation Center at Oregon State University, looks over a hemp plot at the North Willamette Research and Extension Center with Lloyd Nackley, an assistant professor of production horticulture.



George Plaven/Capital Press

A combine harvests hemp biomass at Hempton USA, which farms 511 acres of hemp.

skyrocketed. As of Oct. 7, the Oregon Department of Agriculture had licensed 1,940 growers and just over 63,000 acres — a 473% increase over last year.

Beau Whitney, vice president and senior economist at New Frontier Data, which tracks the industry, said the 2019 Oregon hemp crop could be worth more than \$1 billion.

“It would quickly ascend to the number one agricultural commodity in Oregon in one year,” Whitney said.

Whether that actually happens is still a question mark. Whitney said it remains to be seen how many acres of hemp in Oregon will actually be harvested and sold.

“Where there’s great economic potential in Oregon for hemp, the question is will (growers) be able to realize that?” Whitney said. “Will they be able to bring the product to market successfully?”

Harvest hazards

Jay Noller, director of Oregon State University’s Global Hemp Innovation Center, hit the road to visit with about two dozen hemp

farmers across the state, from the Willamette Valley to the Klamath Basin.

Driving along Interstate 5 past fields of verdant hemp, Noller said he likes what he sees so far overall.

“The colors look good,” Noller said. “I’m not seeing any brown spots, which is a clear indicator of disease.”

This year’s cooler, wetter harvest season caught many growers by surprise, Noller said. He acknowledged that mold is a greater concern for farms in 2019 than it was a year ago, especially in rainy Western Oregon up to the foothills of the Coast Range.

Elizabeth Gale felt the pressure as she and her partner, Justin Rotter, and his brother, Jeremy, raced against the rain to harvest 2.5 acres of hemp at Living Harvest Farm near Dallas, Ore.

To make matters worse, the company Gale planned to use to dry their hemp was running several weeks behind installing new equipment. Dryer space is already at a premium as farms try to avoid having mold turn their buds into mush.

“It really took over my whole life, to be honest with you,” Gale said. “The weather is basically that ticking time bomb for the crop.”

Gale’s predicament illustrates a tricky balancing act for hemp farmers — harvest too soon, and the plants won’t fully mature and reach their peak CBD content, losing value at processing. Harvest too late, and Mother Nature can wreck an entire year of work.

Matt Cyrus, a hemp farmer in Central Oregon and board member of the Oregon Industrial Hemp Farmers Association, said hemp is living up to its reputation as a high-risk, high-reward venture.

“If you raise a good crop, it’s worth a lot of money. But it’s also an expensive crop to raise,” Cyrus said. “Especially this year with the wet fall, it’s cost a lot of farmers a lot of money.”

Cyrus, who is also president of the Deschutes County Farm Bureau, is entering his fourth season of growing hemp with his father near Sisters, Ore. He went from 30 acres the last three years to 100 acres this year, in addition to growing hay and raising a few cattle.

Cyrus said this year’s crop is the best he’s ever grown. Others in the region were not so lucky.

Some hemp farmers in Central Oregon were blindsided by heavy hail in August. Cyrus estimated 400 to 500 acres were significantly damaged.

“Some of them lost their whole crops,” he said.

Big business

Gale said that for her and many other farmers, relying on hemp is still too risky as the industry continues to find its footing.

“My mortgage can’t rely



George Plaven/Capital Press

Paul McGill, of True North Orchards in Salem, Ore., planted a half-acre of hemp in July. Harvest began Oct. 5.

on this crop, or I will lose my mind,” she said.

Other companies, however, have come into Oregon and are betting big on hemp.

Hempton USA, founded in January, is now growing hemp in three states, including Oregon, Colorado and Kentucky. The Southern Oregon farm, near Central Point, is a sprawling 511-acre operation in the heart of the Rogue Valley — part of a fertile growing region known as the Emerald Triangle.

Several hundred field workers paced rows of waist-high plants on a late September morning, picking hearty hemp flowers and loading them into plastic bins for drying. Later, a combine will come through to harvest the remaining stalks and biomass.

The farm, formerly Oregon Sol, is run by Rod Wolterman and his business partner, Dave Singery. They began in 2016 with just under 2 acres of marijuana, before a glut of pot on the market tanked prices.

Singery said it was a no-brainer to switch to hemp. They grew 50 acres in 2018, which proved to be a success. Then Wolterman met with investors from Vancouver, Canada, at a marijuana business conference in Las Vegas, and they joined forces to create Hempton USA.

Michael Townsend, the company’s president, said they were able to raise close to \$23 million to scale up the operation to 500 acres. The company spent \$5.5 million on hemp seed alone.

Townsend said the focus of Hempton USA is not on CBD, but rather another hemp extract known as cannabigerol, or CBG, which is proving beneficial to treat skin conditions such as

eczema and psoriasis.

“It’s as hot as a pistol,” Townsend said. “We’re very excited to be in that space.”

In July, the company bought Kirkman Group, based in Lake Oswego, Ore., to manufacture CBG and CBD products such as tinctures and creams. Hempton USA has also announced the launch of a new chewing gum with 15 milligrams of CBD and 5 milligrams of CBG.

“From our perspective, we have to start formulating and creating intellectual property,” Townsend said. “We’ll patent-protect these formulations.”

Singery said he believes the farm can scale up even more, aiming for 2,000 acres of hemp by next year. The biggest challenge, he said, is finding enough labor for harvest while continuing to build storage capacity.

“We already have plenty of property if we want it,” Singery said. “We have a very good reputation around here with our vendors, with our farmers.”

Continuing outreach

OSU established the Global Hemp Innovation Center in June, combining more than 40 faculty members across 19 academic disciplines to develop new varieties and markets for hemp.

Noller said the university has several research teams now looking at hemp for grain, fuel and other industrial products. The program also got a \$1 million donation from Oregon CBD, a Willamette Valley hemp seed company, to study crop genetics.

Whitney, with New Frontier Data, said expanding markets will be crucial for farmers if hemp is to succeed long-term.

“Farmers need to be in a position to have a diversified product portfolio,” Whitney said. “Eventually there is going to be a tipping point where there is more supply than there is demand. ... If that’s the case, then if those smaller farmers are depending only on CBD for their revenues, they add risk to their business models.”

Noller said OSU is also looking forward to greater outreach with the industry, and helping new growers especially to make improvements in their fields.

“I need to focus on those who traditionally haven’t been farming,” he said. “We’re really looking forward to the opportunity to embrace them within Extension Service, and within other agencies.”

By next harvest, Noller said farmers should have a better idea of varieties they want to plant, dates for planting and harvesting, and

Trail: Plans didn’t deal with trash blowing onto fields

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and whether operation of each setback would force a significant change in farm practices,” LUBA said.

The county’s finding that fencing along the trail would reduce problems with trespassing was also faulted by LUBA, which ruled that such plans were imprecise and didn’t sufficiently deal with trash blowing onto fields.

“If preventing physical trespass from dogs and people were the only purpose of the fence, and the record included evidence that a wide variety of fences could satisfy that purpose, it might be sufficient to impose such a general condition and leave determinations regarding design, materials, etc., to a subsequent administrative proceeding,” the ruling said. “But the county relies on the proposed fence to address a wide variety of different potential impacts, which might require different fence designs, materials, construction techniques and maintenance routines, in order to ensure that the trail will not cause significant impacts on farm practices.”

Instead of delving into these details, the county “simply punted” such deliberations until a later “master planning”



Mateusz Perkowski/Capital Press File

Former Scott Bernards speaks about why he’s nervous about the potential conversion of an abandoned railroad into a hiking and biking trail in Oregon’s Yamhill County. Oregon’s Land Use Board of Appeals has ordered the county to reconsider its approval of the project.

process that wouldn’t provide for public input, according to LUBA.

Even in regard to keeping out people and dogs, the county’s findings were inadequate, the ruling said.

“Depending on what ‘capable of preventing’ means, the results could range from a four-foot-high picket fence

to a 10-foot steel wall topped with razor wire, or anything in between,” the ruling said.

A lack of sufficient planning for fencing needs also carries over to food safety impacts, since preventing incursions by people may not totally shield crops such as hazelnuts from contaminated litter, according to LUBA.

“As we understand the testimony, the concern is not limited to trespassers entering fields and orchards to defecate, but also to windblown or water-borne microorganisms from fecal material deposited adjacent to fields and orchards, within the right-of-way,” the ruling said.

Aside from these points, LUBA also remanded the decision for the county to consider traffic problems from vehicles parked near the trail’s access points, potentially impeding the movement of agricultural machinery, as well as how firefighters could access the area.

According to LUBA’s 87-page ruling, the county should also have better scrutinized the project for compliance with its own land use plans and ordinances. Some of the criticisms of the project, such as increased complaints about agricultural practices, were dismissed by the board, however.

Wildlife: ‘We can’t see what was discussed, and that is very concerning’

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There are no publicly available audio or written records of the wolf meetings, or the numerous meetings of other subcommittees.

“We can’t see what was discussed, and that is very concerning,” Hunters Heritage Council President Mark Pidgeon said. “I do have a problem with that.”

In response to questions about the commission’s reliance on subcommittees and the lack of public record, Fish and Wildlife issued a statement saying it has gone beyond the “minimum requirements.”

The department said it has invested in live-stream technology, though it did not cite an example of it being used to stream committee meetings.

Letting the public watch or listen to committee meetings would “require further department resources,” according to the statement.

The department did not specify the additional resources it needs. The department records and puts online conference calls of the entire commission, but not for subcommittees.

Holzmilller said he particularly supported a committee on wolves. “The issue wasn’t getting the time and attention it needed at the full commission meetings,” said Holzmilller, who owns cattle near wolves in southeast Washington.

He said he recalled the wolf committee closing one meeting. He said he rea-

soned that wolf advocates would attend the meetings and their presence would influence some commissioners. “It would give people a little more backbone and spine,” he said.

Private discussions among commissioners could be more frank, Holzmilller said.

“You have to be able to war-game this stuff,” he said. “You’re not playing checkers. You’re playing three-dimensional chess.”

The commission will meet Oct. 18 and 19 in Olympia. The afternoon before, the “big tent” committee will meet. The agenda topics are “strategic planning” and “agenda planning.”

Following that, the fish committee will meet and then the wolf committee. The wolf committee is scheduled to talk about post-recovery planning, the status of packs and “emerging issues.”

The next morning, the wildlife committee will meet. The agenda includes cougars and how the department acquires land. After that, the commission convenes for its regular meeting. By then, commissioners will have met for about five hours in subcommittee meetings.

The unrecorded discussions could be a source of valuable information, Citizens Alliance for Property Rights lobbyist Cindy Alia said.

“If we are not well-informed about all the details they’re discussing, it’s hard to make an intelligent public comment,” she said.