

Taxes take toll on Pacific County pot growers

By **LUKE WHITTAKER**

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PACIFIC COUNTY — Eight marijuana growers have shuttered their doors over the past two years in Pacific County, nearly half the licensed businesses.

Some fear that more could close as a result due to high taxes and over regulation that unfairly burdens small growers.

“Almost all of the (Pacific County growers) have gone out of business and it’s a continuing trend,” said Ilwaco-based Vancouver Weed Company owner Gary Green, a tier-1 marijuana grower, the smallest of Washington’s three categories.

“We’re still struggling with over taxation and regulation. We feel like we’re sharecroppers for the state. The state makes more tax revenue per gram (of marijuana) than we make selling it. That shouldn’t be legal.”

Washington enforces a 37% marijuana excise tax compared to 17% in Oregon and 15% in California.

“The state point of sales tax is 47.5 percent and that’s not including the capital gains, sales and workers tax,” Green said. “It actually comes out to about 67.5 percent tax. That makes it very rough.”

Small growers seeing slimmer profit

On store shelves, Green sells his marijuana under the Vancouver Weed Label for around \$10 per gram, but only about \$3 ends up in his pocket.

“Most stores are marking product up by 300 to 400 percent. We’ll sell it to them for \$3 a gram and they will sell it for \$12. And then the state takes half of that. The state gets \$6 a gram while me, the grower, gets \$3. It’s insane.”

Green considers himself relatively fortunate since his counterparts are often getting much less.

“I’m lucky that I get \$3 per gram. Most growers are getting \$1.50 to \$2 per gram. They then sell it for \$30 or \$40 per eighth (3.5 grams). They’re getting



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Vancouver Weed Company owner Gary Green believes Washington is unfairly burdening small businesses with high taxes and over regulation. “The state makes more tax revenue per gram (of marijuana) than we make selling it. That shouldn’t be legal,” he said.

\$3,200 to \$4,800 per pound while we’re getting \$1,300-\$1,400. And we have to do all the growing, trimming, packaging, labeling and delivery. They don’t take any of that into account.”

Green is hopeful regulation changes could be on horizon, perhaps as early as the new year.

“A lot of things are being discussed right now about treating smaller grows like us as they do with wineries and breweries. Soon we may have the opportunity to sell direct to the public, like they do in Oregon. They’re finding that it’s working and making small businesses successful. In Washington, the small businesses have been getting destroyed.”

Oregon marijuana retailers can currently grow and sell their own marijuana in the same building with proper licensing, which would be illegal in Washington.

“Stores have access to sell directly to the customer while we don’t. The stores are making more than the growers are. It’s apparent with how many growers have gone out of business versus the stores,” Green said.

Eco-friendly farming

Green embraces an eco-friendly “sea of green” grow method that’s pesticide free in producing strains that have the look, taste and smell consumers seek, from sweet and fruity to the dank and

earthy.

“If I say something tastes like oranges, it should taste like oranges,” Green said leaning to smell his latest creation, a cross between ‘Grape Ape’ and ‘Agent Orange’ that smells of ripe mandarin oranges.

Green continues to grow his ever popular ‘Red Skunk’ and ‘Spider Glue,’ but has been experimenting by cross breeding established strains to create new ones, including ‘Blackberry Dream,’ a cross of ‘Blackberry’ and ‘Blue Dream.’

It typically takes at least 120 days to grow marijuana start to finish, depending on the method and strain involved.

“Every bud on the shelf takes four months minimum,” Green said. “We’re craft so we can only produce so many pounds per month. Our goal is to produce 20-25 pounds per month. We’re getting close.”

The majority of Green’s marijuana is sold at Miller’s Marijuana in Elma, Bud Hut, and Mr. Doobes in Ilwaco.

“We do about \$200,000 in sales per year,” Green said. Overall the business has generated more than \$550,000 in sales since June 2015.

Chinese holiday puts pot on hold

Annual holiday celebrations in China have a way of disrupting Green’s pot business in Pacific County.

Over the past few weeks, Green has been experiencing considerable delays in product shipments, particularly glass jars used to package cannabis. Green typically orders his supply two or three months at a time, which compounds his concerns after a delay.

“Most products come from China, all the packaging and glass jars. For a whole month they shut everything down,” he said.

In the past, the delays typically occurred early in the year, around the New Year in China (celebrated Jan. 25) but have been plaguing his business earlier than usual this year.