

Possible hemp restrictions raise concerns on industry

By MATEUSZ PERKOWSKI

Capital Press

Oregon counties may suspend new hemp production under a bill recently passed by the Legislature, raising concerns in the industry about farmers missing economic opportunities.

Under Senate Bill 1564, which now awaits the signature of Gov. Kate Brown, county governments can declare an emergency to stop the issuance of new state hemp licenses for two years.

Hemp production in Oregon has already fallen precipitously due to an oversupply, but county restrictions could hinder an industry resurgence at a time when new uses for the crop are multiplying, experts say.

“The negative impact is it sends a message to the rest of the country that Oregon is not where you want to do hemp,” said Beau Whitney, an economist who tracks the industry. “It puts the state farther and farther behind.”

Excitement about the high demand and healthful effects of cannabidiol, or CBD, caused a surge in hemp production that was soon followed by a surplus, prompting many farmers to abandon or reduce cultivation of the crop.

Acreage across the U.S. dropped by more than 50% last year, while Oregon’s acreage plummeted more than 80%, according to Whitney.

At the same time, Oregon law enforcement authorities have complained to state lawmakers that hemp is being used to disguise the illegal production of marijuana, a related cannabis crop with psychoactive properties.

“When you can’t regulate an industry, it makes no sense to add more work for our regulatory agencies,” testified Nathan Sickler, Jackson County’s sheriff, during a legislative hearing last month.

The original language of SB 1564 would have imposed a two-year moratorium on new hemp licenses, but the bill was amended so that the decision was left to counties.

The idea was to provide local control since the problem with sham hemp farms was mostly reported in Jackson and Josephine counties.

However, the amount of licensed hemp grown in



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Hemp is harvested from an Oregon field.

hoop house systems common for marijuana represents less than 2% of state acreage, Whitney said.

“The data does not support the narrative at all,” he said, referring to licensed hemp growers allegedly producing black market marijuana. “Will this really do any good? Probably not.”

Whitney said it’s commendable that lawmakers scaled back the bill’s scope in response to hemp industry concerns, but he fears the bill still sends the wrong signal.

Hemp is seeing new demand in products that have nothing to do with CBD, including bioplastics and livestock feed, he said. The crop can even be used as an alternative to lithium in batteries.

Meanwhile, carbon credits — which are sold to offset emissions — are poised to become a new revenue source for hemp farmers, he said.

“This regulatory uncertainty is impacting the fiber and grain side,” Whitney said. “It’s suppressing the growth and development. At the time Oregon should be supporting hemp on an industrial scale, it’s trying to put restrictions on hemp.”

Mark Taylor, founder of the Southern Oregon

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Hemp Cooperative, said the bill could punish growers who wisely decided to stop growing hemp temporarily due to the oversupply or for crop rotation. It also blocks legitimate newcomers with fresh ideas from the industry.

“They’re penalizing us for their lack of pre-planning,” Taylor said of state lawmakers. “You restrict brainpower that could come in and do it better.”

Oregon hemp farmers have drastically scaled back planting in response to market conditions, which isn’t recognized by lawmakers who don’t understand the industry, Taylor said.

“The market self-adjusted and they gave no due to

that whatsoever,” he said.

The state government would have been more effective with outreach and education to the hemp industry and other farmers, warning them to keep an eye out for bad actors who’d attempt illicit marijuana production, Taylor said.

“I don’t think government spends enough time on the ground,” he said. “They’re in their ivory tower.”

County restrictions would diminish the industry’s competitive spirit and amount to the government picking winners and losers by allowing existing growers to keep their licenses, Taylor said. “It all speaks of government overreach.”

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