

Oregon marijuana prices plunge — and sales soar

PORTLAND (AP) — Rampant overproduction in Oregon's market for legal, recreational marijuana has produced a 50 percent drop in prices, according to state economists. That widely documented collapse has been tough on farmers and retailers — but a boon for consumers.

A new state analysis finds the price collapse sparked a big uptick in marijuana purchases and a corresponding increase in associated tax revenue, *The Oregonian/OregonLive* reported.

"Lower prices are helping to drive the volume of sales higher and induce black and medical market conversions into" the legal, recreational market, said Josh Lehner of the Oregon Office of Economist Analysis.

Recreational marijuana sales in Oregon will be nearly \$543 million this year, up 29 percent from 2017 and well above econ-

omists' expectations, forecasts show.

When Oregon legalized marijuana four years ago, expectations were enormous for the newly legal market. The state created incentives for producers to leave the black market, leading to overproduction and the ensuing price decrease.

A state study found the retail cost of a gram of marijuana plunged from \$14 in 2015 to \$7 last year.

Recreational marijuana remains a small industry, relative to the size of Oregon's economy. For comparison, economists note that cigarette sales are 40 percent higher than marijuana sales. But legal marijuana is growing fast — state forecasts suggest it will be a billion-dollar market in 2025.

While Oregon has no general sales tax, it does levy a 17 percent sales tax on marijuana. Marijuana taxes generated nearly \$70



Different strains of marijuana for sale are displayed in Salem in 2017. Rampant overproduction in Oregon's market for legal, recreational marijuana has produced a 50 percent drop in prices, according to state economists. That widely documented collapse has been tough on farmers and retailers, but a boon for consumers.

million in revenue last year and are forecast to generate nearly \$90 million in 2018. State forecasters believe marijuana may eventually play a more important role

in the state's economy.

"The real economic impact from recreational marijuana will come not from the growing and retailing, which are low-wage and low value-added market segments," economists wrote in a revenue forecast issued last week. "It will come from higher value-added products like oils, creams, and edibles, in addition to niche, specialty strains."

The rise of marijuana in Oregon could evoke the emergence of craft brewing in the state, the economists wrote, with value-added production augmented by a cluster of suppliers and support industries.

"The long-term potential of exporting Oregon products and business know-how to the rest of the country remains large," economists wrote, "at least once marijuana is legalized nationwide."

Analysis suggests keeping Medford Air Tanker Base operating

MEDFORD (AP) — Analysts say the U.S. Forest Service should keep the Medford Air Tanker Base open if other agencies help pay the \$245,000 annual cost.

The *Mail Tribune* reports in a story on Friday that the Forest Service commissioned the independent analysis earlier this year and recently made the results public.

The air tanker base is about 55 miles from another air tanker base in Klamath Falls, and the Forest Service is considering closing one of them to save money.

About 60 percent of the retardant delivered from the Medford base is by agencies other than the Forest Service. Those agencies pay for the retardant, flight time, landing fees and other costs, but they aren't helping to pay for maintenance of the air base.

"That's the business model that isn't working," said Amanda Lucas-Rice, Southwest Oregon Interagency Unit Aviation Officer for the Forest Service and U.S. Bureau of Land Management.

She said talks are ongoing between the agencies about splitting up costs.

Jackson County commissioners are against closing the base, particularly after lightning-sparked fires in the region earlier this year.

"It would have been crazy in my opinion to even consider closing Medford down, and we're extremely fortunate to have it," Commissioner Rick Dyer said. "We would probably be in an even worse situation without it."

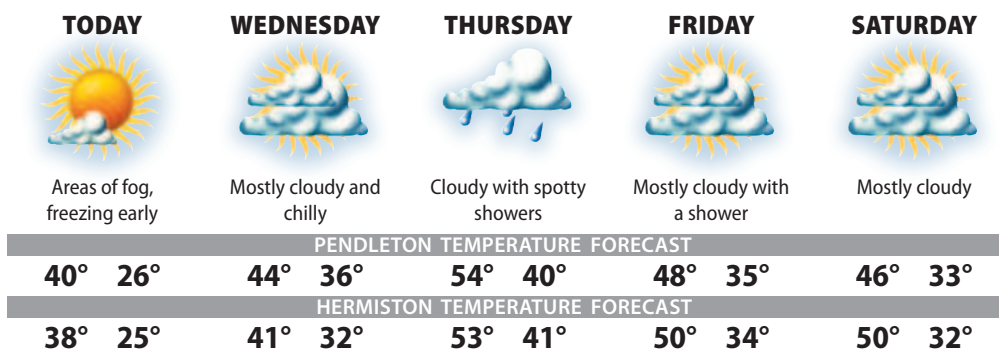
Merv George, supervisor of the Rogue River-Siskiyou National Forest, said he backs keeping the Medford base open.

"I will tell you that as far as I'm hanging around

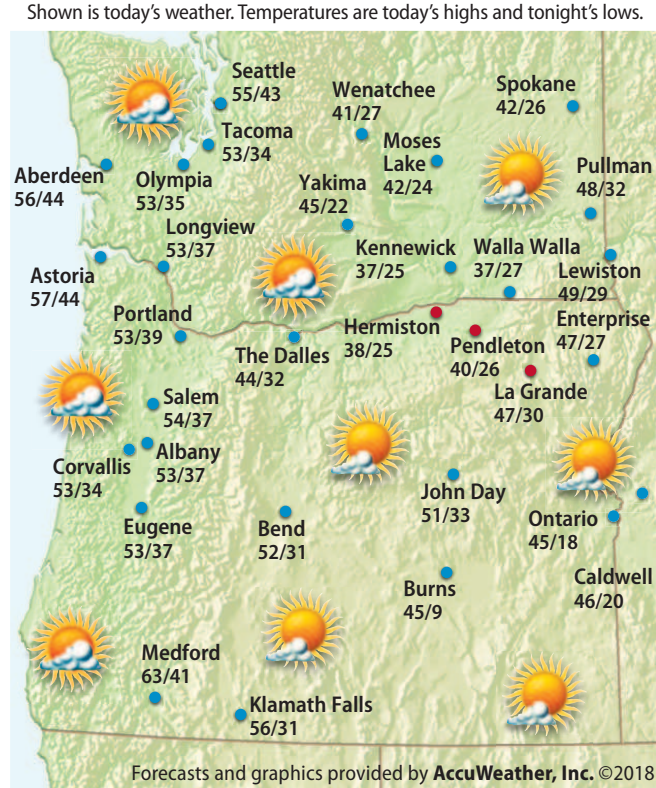
in this part of the country, I am going to throw my support behind keeping that base here and getting the resources that we need to make sure that it's fully functional," he told Jackson County commissioners recently. "Because when we're running and gunning with all the fires, it's really helpful to have a base close by."

Firefighting costs have far exceeded the cost of keeping the base running. The Forest Service, according to October estimates, has spent more than \$200 million in southwestern Oregon fighting fires over the last year.

Forecast for Pendleton Area



OREGON FORECAST



ALMANAC

PENDLETON through 3 p.m. yest.				
TEMP.	HIGH	LOW		
Yesterday	40°	20°		
Normals	47°	32°		
Records	74° (1897)	7° (2014)		
PRECIPITATION				
24 hours ending 3 p.m.	0.00"			
Month to date	0.10"			
Normal month to date	0.87"			
Year to date	8.25"			
Last year to date	14.52"			
Normal year to date	10.86"			
HERMISTON through 3 p.m. yest.				
TEMP.	HIGH	LOW		
Yesterday	33°	17°		
Normals	49°	32°		
Records	67° (2012)	10° (1929)		
PRECIPITATION				
24 hours ending 3 p.m.	0.00"			
Month to date	0.01"			
Normal month to date	0.72"			
Year to date	6.46"			
Last year to date	8.42"			
Normal year to date	8.00"			
WINDS (in mph)				
	Today	Wed.		
Boardman	NE 3-6	NE 3-6		
Pendleton	N 4-8	ENE 3-6		
SUN AND MOON				
Sunrise today	7:01 a.m.			
Sunset tonight	4:20 p.m.			
Moonrise today	3:26 p.m.			
Moonset today	3:48 a.m.			
	Full	Last	New	First
	Nov 22	Nov 29	Dec 6	Dec 15

Oregon Treasury pushes gun safety reforms on manufacturers

SALEM (AP) — Oregon has joined a coalition of states intent on changing how they invest money in the firearms industry to push gun safety reforms.

The *Statesman Journal* reports the move by the Oregon State Treasury — which manages the multibillion-dollar Oregon Public Employees Retirement Fund — reflects an increased level of scrutiny for gun-related manufacturers not just from the halls of Congress, but from low-profile corners of state government that seek to influence how the industry does business.

The coalition's investing principles support universal background checks, safer technology for firearms and training for gun retail employees.

The principles aren't a set of rules that forbid any investment in the industry. Instead, they are a broader framework for investors doing business with companies. Oregon joins California, Connecticut, Florida, Maine and Maryland in the coalition. In their entirety, member states manage more than \$4.8 trillion, much of it for government retirees.

"As a fiduciary of a large, diversified investment portfolio, we frequently engage

companies and encourage them to operate in ways that increase the odds of strong long-term returns and to reduce future investment risks," Oregon State Treasurer Tobias Read said in a statement. "Without (these gun safety principles) we do not believe the current path is sustainable."

The Oregon pension fund's investment in the firearms and munitions manufacturing sector is a tiny part of the state's overall portfolio — just a fraction of 1 percent. The fund has positions in four companies with a net value that was less than \$7 million in November 2017, when the state last ran a report on its holdings in the firearms sector.

At the time, the fund's total assets were about \$78 billion, Treasury officials said.

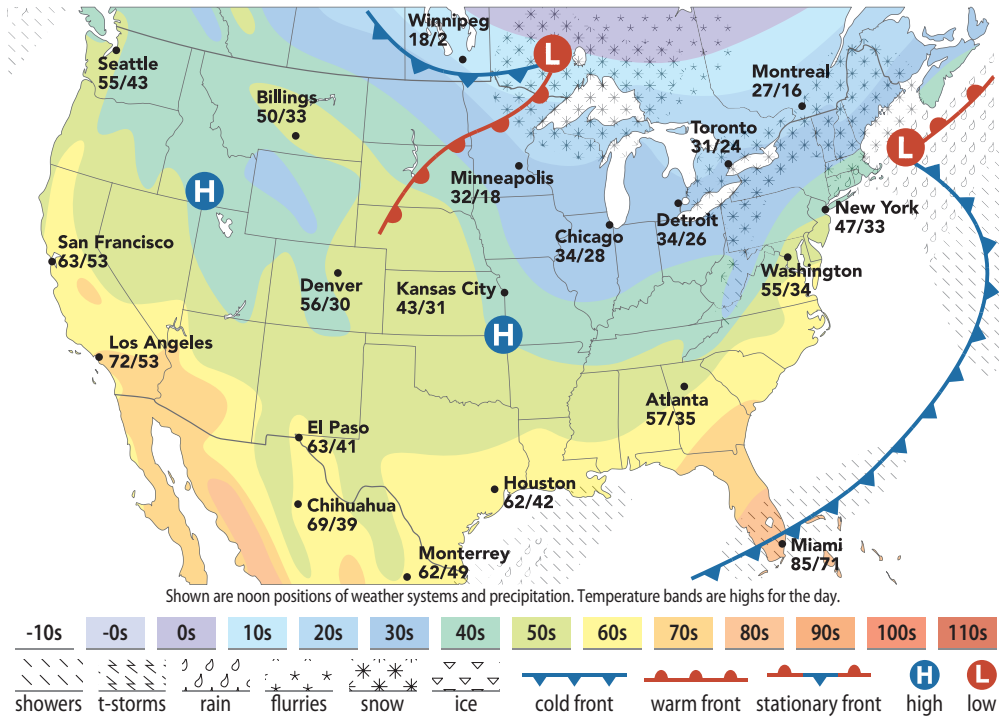
Kevin Starrett, director of the Oregon Firearms Federation, said Read's actions are "typical of Oregon and Democrats."

"They think if we don't invest in companies that are firearms-related, we're going to hurt them somehow, but all they do is make their stocks available to other people like me," Starrett said. "It's what Oregon Democrats are about. It's symbolism and show and amounts to nothing."

NATIONAL EXTREMES

Yesterday's National Extremes: (for the 48 contiguous states)
High 88° in Immokalee, Fla. Low -10° in Bodie State Park, Calif.

NATIONAL WEATHER TODAY



Former Oregon state board director faces \$20K ethics fine

SALEM (AP) — The former director of the Oregon Educators Benefits Board is facing a \$20,000 fine after an investigation into his conduct.

The *Statesman Journal* reports the Oregon Government Ethics Commission levied the civil penalties in a 10-count ethics case against James Raussen that began two years ago.

The commission issued its final order by default at its November meeting after Raussen failed to appear at an earlier hearing.

The Oregon Educators Benefits Board purchases insurance benefits for public

school teachers.

The commission found Raussen used his position for financial gain and improperly received gifts from companies that had an interest in his decision-making.

Records show Raussen's violations included accepting gifts of food and game tickets from insurance companies, using a state vehicle to visit wineries and extending a business trip to Las Vegas on the taxpayer's dime.

Raussen couldn't be reached for comment.

Corrections

The *East Oregonian* works hard to be accurate and sincerely regrets any errors. If you notice a mistake in the paper, please call 541-966-0818.

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