



News Release

Oregon Liquor & Cannabis Commission
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June 16, 2022

Commissioners meet in Southern Oregon

Legislators, Law Enforcement, Licensees tell OLCC "Illegal Cannabis Threatens All of Us"

Southern Oregon Hospitality and Wine Industry provide feedback

ASHLAND, OR. – Illegal marijuana activity has not only disrupted the legal cannabis industry, but it's also jeopardizing southern Oregon's wine industry, according to testimony the Oregon Liquor and Cannabis Commission (OLCC) heard this week. That was one of many issues that came to light during the Commission's two-day visit to Jackson County.

In an effort to connect directly with the cannabis and wine industries, the southern Oregon hospitality sector, and Jackson and Josephine county legislators, the OLCC held its monthly Commission meeting on June 15, 2022, at Southern Oregon University in Ashland. Commissioners also approved three stipulated settlement agreements.

Seven years after Oregon voters approved recreational marijuana, the southern part of the state has seen a proliferation of cannabis grow sites: hemp, OLCC licensed producers and illegal grows operated by organized crime. Unlicensed grows have drastically impacted the region's livability and overwhelmed local law enforcements' ability to mount an adequate response.

Joint operations by the OLCC, other state agencies, and law enforcement have uncovered illicit cannabis growers engaged in human trafficking. These illicit operations bring undocumented farm workers into the United States, leaving them to live in unsafe conditions, and threatening to harm them or their families if they go to authorities. Illegal grow sites have degraded the environment through unregulated use of chemicals, while siphoning limited water resources in a region already experiencing significant drought.

"It's fair to say that the biggest risk to this industry is the illegal activity," said Commissioner Jennifer Currin. "For the safety of these communities; whichever way you look at it, the greatest risk to the legal and legitimate industry is the illicit activity. We have to do everything that we can do or we won't have a legal industry."

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Legislators and law enforcement officials outlined these challenges in a plea to the OLCC for Commissioners to use their influence and aid in the creation of a sustainable funding source to support response operations. Cannabis growers also testified in support of finding solutions to these issues which undercuts their ability to operate and casts a shadow over the industry's reputation as a whole.

"Bad actors or entrepreneurs who think they can skirt the rules will change," said Commissioner Marvin Revoal. "If the funding isn't continuous, then the problem spreads."

The wine industry echoed the same concerns by listing the impacts illegal grows have on grape growing operations in Southern Oregon, including: "pesticide drift" damaging crops, irrigation canals running dry due to over use and heavily armed guards present on adjacent farms with questionable "hemp" growing operations.

"One day, last year, I woke up and found 120 hoop houses next to my driveway," said Dennis O'Donoghue of Celtic Moon Vineyards. "I noticed within a few weeks of the potted marijuana plants being put in place herbicide drift and damage to my vineyards which reduced my yields quite a bit."

Wine growers also discussed the environmental impact on grape growing in recent years from excessive heat and smoke taint from wildfires that have plagued the region. On top of this, wineries have experienced their own supply chain shortages for bottles, and tasting room closures due to COVID.

On a positive note, the wine industry highlighted that Oregon's brand has risen in recognition over the past few years. This growth in popularity has enabled wineries to sell their bottles at a higher price point into larger markets.

Commissioners also heard similar supply chain frustrations from southern Oregon bars and restaurants. Much of the conversation focused on pandemic operating difficulties, and challenges for re-opening given changes in consumer behavior. Business owners cited problems obtaining specific types of liquor, increased food prices and a lack of adequate staff.

The Commission committed to working to find ways how the OLCC could provide some relief to those challenges. In response the hospitality industry, commended the OLCC for its pandemic response citing the Commission's policy changes like outdoor seating expansion and cocktails to go as vital changes that kept some businesses afloat.

Executive Director Steve Marks closed the meeting by acknowledging the breadth of the topics covered during the meeting by stating, "Our highest priority, and part of the reason why we're down here; is helping businesses." Marks continued, "Anything we can do to help, and any of these issues that we've heard today, we'll do what we can to help."

The Commissioners also ratified the following stipulated settlement agreements (detailed information on specific cases can be found [on the OLCC website](#)):

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Alcohol Stipulated Settlement Agreements

SILVER DOLLAR PIZZA (F-COM) in **Portland** will pay a \$2,145.00 fine OR serve a 13-day license suspension for two violations.

Marijuana Stipulated Settlement Agreements

ASTRA FARMS (formerly YANCE FARMS) **a marijuana producer**, will pay a \$2,250 fine OR serve a nine-day license suspension for one violation.

HERBA FARMS a marijuana producer, will surrender their license when they sell their business or by September 16, 2022, whichever is earlier, for one violation.

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