Oregon Has So Much Extra Weed, It Wants To Export It To California



If successful, the state's move could be a major step forward in the legalization movement but not everyone is in favor..

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Once again, Oregon is center stage in the marijuana legalization movement in 2019 — this time not intentionally.

The state, one of the first to make recreational marijuana legal, made news last year because of its one-million pound surplus of cannabis. Now, lawmakers want to make it legal to sell that surplus to other states that have also legalized

marijuana. In the complex world of cannabis laws, such a move is controversial but, if approved, it would be a huge step forward for the legal cannabis industry.

It certainly would help Oregon, where sales have soared but prices have dropped because of a glut in marijuana product.

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Supply exceeds demand

Oregon's weed overpopulation problem happened for several reasons and can serve as a cautionary tale to other legal states. First, state lawmakers made it easier for former black-market marijuana growers to join the legal cannabis industry. They also allowed out-of-state investors to enter the business. And there is no cap on the number of licenses the state can award.

All this – coupled with the state's position in an excellent region to grow weed – helped create the current surplus of marijuana in a relatively small state.

No one person is to blame for the crisis. In an interview with Rolling Stone, Adam Smith, founder of The Craft Cannabis Alliance, an association of small marijuana businesses in Oregon, explained that neither state leaders nor the marijuana industry fully considered that legalizing pot could also make it "primarily an export industry" in Oregon. "So suddenly you had one of the best and most prolific growing regions in the world hemmed into a market of less than 4 million people," he said.

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The exporting solution

Despite Oregon's cannabis surplus situation, industry executives and lawmakers believe that having so much unsold cannabis is like sitting on bricks of gold. They just need permission to sell it across state lines. In addition to bringing in millions more in revenue, exporting cannabis could save cannabis producers from going under.

The solution? Oregon may look initially at reworking a 2017 proposal allowing Oregon marijuana companies to export to the adjacent states of California and Washington. Sen. Floyd Prozanski told the Statesman Journal that he plans to reintroduce some provisions of the bill. Those provisions include all exports meeting Oregon standards and a 17 percent tax on sales out of state.

The change ties into a proposed law in the U.S. Congress from Oregon Rep. Earl Blumenauer that would remove marijuana from the federal controlled substances list. It also would put regulation of the cannabis industry under the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).

That would eliminate the problems inherent in a state trying to export marijuana in a country where the product is illegal at the federal level.

Roadblocks ahead

But there are potential roadblocks to the bill, including whether other states would even allow imported weed. While Smith told the Statesman Journal that these markets "would be thrilled to have world-class cannabis," states would still need to assess the impact on their own cannabis industry as well as untangle the complex legal knots involved with

interstate marijuana commerce.

If the law is passed in 2019, exports could begin as soon as 2021.

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