



News Release

Oregon Liquor & Cannabis Commission
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OLCC & ODA find high THC levels in some Oregon hemp grows Inspections confirm concerns of southern Oregon community

OLCC will recommend extending Producer License moratorium until 2024

PORTLAND, OR. – Results from inspections of legal hemp farms in southern Oregon show that a significant number of plants on those grow sites tested positive for excessive levels of THC, the psychoactive component found in cannabis. The Oregon Liquor and Cannabis Commission learned about the results of “[Operation Table Rock](#)” during their regularly scheduled monthly meeting on Thursday, September 23, 2021.

OLCC Executive Director Steve Marks also informed the Commission that OLCC staff will recommend extending the existing legislatively approved moratorium on issuing new recreational marijuana producer licenses to the Commission, Oregon Legislature and the Governor. Commissioners also approved penalties in five stipulated settlements for violations committed by recreational marijuana licensees.

Operation Table Rock, an effort involving OLCC, the Oregon Department of Agriculture (ODA), and other state and local government agencies began this past July in Josephine and Jackson Counties after the Oregon legislature passed HB 3000 and Governor Kate Brown signed it into law. OLCC and ODA inspectors randomly sampled plants to determine whether hemp growers were actually growing hemp or marijuana.

Preliminary test results confirmed that a substantial number of hemp growers were producing crops with higher than acceptable THC levels. Through mid-September inspectors from OLCC and ODA had [inspected 316 ODA registered hemp grow sites](#) in southern Oregon.

Test results from 212 sites showed that 58% of the samples tested positive for THC (114 tested positive and 98 tested negative); the highest sample tested at 32.9% THC. The OLCC is awaiting test results from samples taken from 20 additional sites. Of the remaining sites inspectors visited: 59 had no crop growing, nine locations were growing cannabis, and inspectors were denied entry at the remaining 16 locations.

In addition to the testing of cannabis plants, the OLCC observed instances of illegal water diversion, unfit workplace conditions, and animal abuse; the OLCC referred those cases to the authorities responsible for those matters.

Southern Oregon residents, lawmakers, and OLCC recreational marijuana licensees have voiced concerns that the illegal hemp and marijuana production has disrupted their communities, degraded the environment, and jeopardized legitimate cannabis business activity.

“If we want to build this [legalized marijuana] sector as a major part of our economy, which we and our licensees have put enormous effort and capital into and if we want to participate in interstate [cannabis] commerce we’ve got to have a system that is legal, so there’s control,” said Steve Marks, OLCC Executive Director. “Right now we’ve done a good job, and through no fault of our own, or our licensees, the impacts are pretty dire.”

The OLCC plans to share its findings from Operation Table Rock with legislators. The agency also intends to recommend that the legislature and Governor continue the existing moratorium on production licenses for two more years, into 2024.

“You just need to look at the drought conditions in southern Oregon and the intense water issues that everyone is dealing with across the agricultural landscape down there, to recognize that now is not the time to be expanding that,” said Marks. “We have plenty of [regulated] supply in Oregon. Quite frankly the illegal supply is depressing the markets and the wholesale price even within our system.”

Commissioners ratified the following violation fines and suspensions based on stipulated settlements (*detailed information on specific cases can be found [here on the OLCC website](#)*):

RIVER DEW FARMS will surrender its recreational marijuana producer license for three violations, on the date the transfer of ownership of the business is completed or on December 22, 2021, whichever is earlier.

Licensee is: B.A.F. Farms, Inc.; Barbara Finch, President/Secretary/Treasurer/Stockholder.

HYDROBERRY HOLDINGS will surrender its recreational marijuana producer license for three violations, on the date the transfer of ownership of the business is completed or on December 22, 2021, whichever is earlier.

Licensee is: Hydroberry Holdings, LLC; Mu-Hsien Hsu, Member/Manager.

WATERWHEEL VENTURES will surrender its recreational marijuana producer license for four violations, on the date the transfer of ownership of the business is completed or on December 22, 2021, whichever is earlier.

Licensee is: Waterwheel Ventures, LLC.; Jimmy Chang Saeteurn, Member; Alexis Korybut, Member/Manager.

TAKILMA ROAD OPERATOR will surrender its recreational marijuana producer license for seven violations, on the date the transfer of ownership of the business is completed or on December 23, 2021, whichever is earlier.

Licensee is: Takilma Road Operator, LLC; Matthew Portnoff, Member; Luiza Portnoff, Member.

CLAY WOLF will surrender its recreational marijuana processor license for seven violations, on or before November 17, 2021. Licensee may proceed with a of change of ownership of the business after submitting a certificate issued by the Oregon Department of Revenue (DOR) that states Licensee is in good standing with respect to any returns due and taxes payable to DOR as of the date of the certificate (certificate of good standing) within five business days of the date the notification of change of ownership is filed. The Commission shall reject any notification of change of ownership submitted by Licensee as invalid unless the Licensee submits the certificate of good standing in the required timeframe.

Without a valid notification of change of ownership, a change of ownership application is considered incomplete. The Commission shall reject any notification of change of ownership submitted by the Licensee after 12:00 PM on November 17, 2021 and the license shall be deemed surrendered.

Licensees are: Claywolf, LLC; James Wolfe, Member; Deric Claypool, Member; Gerald Wallis, Member; Johnathan Klobas, Member; Jason Stelle, Member.

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*The locations of OLCC marijuana producer, processor and wholesale licensees are exempt from public disclosure under Oregon law.

A copy of the Stipulated Settlement Agreements for Marijuana Violation Cases can be found on the [OLCC website](#), on the Laws & Rules page under the [Final Orders](#) section.