

News Release

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OLCC's "Good Harvest" Produces Promising Results Compliance Action Focused on Legal Outdoor Cannabis Producers

PORTLAND, Ore. – The Oregon Liquor Control Commission today announced results of recent enforcement inspections of recreational marijuana producers indicating most of the inspected licensees are in compliance with Oregon laws and OLCC rules. "Operation Good Harvest" was a saturation compliance effort focusing on Oregon's fall 2018 legal outdoor cannabis harvest.

During "Operation Good Harvest" OLCC inspection teams were in the field from September to early November 2018 and <u>conducted 354 inspections across the state</u>, with particular focus on southern Oregon. The OLCC found that 259, or <u>73 percent</u> of outdoor producer licensees <u>did not have any "deficiencies" or potential violations</u>.

Of the 95 licensees with discrepancies, <u>41 of the licensees have potential violations that could lead to the cancellations</u> of their licensees. That represents about 12 percent of the outdoor producer licensees inspected.

"The results of Operation Good Harvest are promising, but just as when we started minor decoy activity focusing on licensed retailers, producer licensees not in compliance need to improve to stay licensed and operational," said Steve Marks, OLCC Executive Director. "The inspections reflect our agency's effort to prevent diversion from Oregon's legal cannabis market, and we'll continue compliance activity across all license categories to maintain the well-regulated market that Oregonians expect."

Region	Inspections	Licensees with Deficiencies	Compliance Rate	Possible License Cancellations
Statewide	354	95	73%	41
Bend	11	5	55%	2
Eugene	44	9	44%	5
Medford	167	43	74%	22
Portland Metro	102	33	68%	11
Salem	30	5	83%	1

Operation Good Harvest Results – Fall 2018

Many of the licensees not in compliance had multiple deficiencies. Some of the most common were for problems with cameras and surveillance coverage – cameras didn't work, didn't provide proper coverage of the licensed premise or surveillance footage wasn't recorded.

Other common violations included: data in the Cannabis Tracking System (METRC) not matching plants or product discovered on the licensed premises, marijuana plants not tagged and entered into METRC, and failure to provide the OLCC with harvest notification information – including unrecorded harvests.

Licensees were also found to be in violation for making unapproved alterations to their licensed premises, security and alarm issues and using scales not approved by the Oregon Department of Agriculture.

In September 2018 the OLCC put in place a rule requiring outdoor producers to provide the agency advance notice of harvest activity. The notification information along with CTS data was used to coordinate inspections.

The OLCC has 628 active outdoor and mixed use recreational marijuana producers, and during "Operation Good Harvest" the OLCC inspected 56 percent of legal outdoor and mixed use growers. Mixed use producers grow cannabis outdoors and indoors.

After OLCC recreational marijuana inspectors complete their investigations of licensees for alleged violations, the OLCC's Administrative Policy and Process division will consider what charges to file against the licensees, including possible license cancellation.

Licensees are entitled to challenge OLCC charges through the State of Oregon's Administrative Hearings process, but the final decision on any charges will be taken by the OLCC Commission.

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