

Rogue Valley Food Systems Network: A Changing Landscape
Wednesday 07/19/2017

Panel Presentations:

Vincent Smith: Chair of Environmental Science and Policy at Southern Oregon University

Maud Powell: Oregon State University Extension Small Farms

Landscape change is a common occurrence. Pears, Grapes and Cannabis are all new industries changing landscapes in the Rogue Valley. The goal of this facilitated meeting is to leverage opportunity and mitigate challenges with the introduction of cannabis to the agricultural production industry. The panelists and the cannabis working group are not policy-making bodies, only informational facilitators. They are not in a position to directly steer legislation. The meeting has informed panelists speaking on the issues governing the changing landscape to inform the public about challenges that will be faced in the future (and currently).

Water: Shavon Johnson, District 13 Watermaster

Cannabis, like other agricultural operations requires water rights for commercial sized (larger than ½ acre) grows. Irrigation use for water. There are multiple types of water rights, most of them revolve around irrigation water use. Well water use is common. OLCC needs a certain certificate for water rights. Exemption for well water rights: up to half an acre for non-commercial lawns and gardens.

There has been an increase in new groundwater right applications since 2015, presumably from influx of cannabis growers. Many people are not being approved for new water rights permits because of limited water supply. Water use impacts neighboring well water abilities in rural and rural-residential areas. 95% of new requests are for nursery (which is a longer period of time) rather than for irrigation. The use of raised beds (as is common practice in cannabis production) reduces acreage so people are often able to get around the half acre exemption. Marijuana uses flood irrigation less than other commercial agricultural industries which reduces water use. This reduction in water use can lead to water rights not being used to maximum potential.

Soil: Chris Jagger, Blue Fox Farm

The food system is changing with or without the introduction of cannabis. Cannabis farms are taking workers because the pay is better (\$20/hr vs. \$12/hr). People are bringing soil into the valley from elsewhere. Everyone wants to learn each other's techniques for scale farming. Often new cannabis growers don't know any other way to get fertile soil for new operations and don't want to take risks of failure in the beginning of their farming careers, so they import soil.

Chris wants to prove that growing in the ground can yield the same results while being cheaper. Chris expresses a concern that corporate industries have negative impacts on soil fertility as well as negative impacts on the cannabis industry. He firmly believes in stewardship and

building soil is the way to go and stressed that the impact of cannabis depends on the practices used and intentions in place.

Labor: Daniel Sweeney, Pacific Crest Vineyard Services

His workers are primarily from Mexico and many of them are transferring from his vineyard to cannabis operations. He states that small scale productions are often college-aged kids learning a craft. He employs both migrants and a local labor force. Mechanization in larger scale productions is becoming more necessary as labor forces are diminishing, the cost of competition (with cannabis operations) is increasing, while cost of food remains the same.

Restrictions on immigration and globalized labor leave those with questionable immigration status with the following choices: get paid more at cannabis farms while risking legal ramifications and stigmatization or get paid less at other farm labor jobs. Mexico is importing farmworkers now, so we are losing some of that labor too. Medical marijuana farms, bootleggers and recreational farms all have different labor issues. The pressure is tightening on recreational production costs because of steep competition; it is harder to turn a profit.

The most sustainable realm of labor is in the bootlegging industries because there are less labor regulations and fees. Cannabis pays more than other ag industries at \$20 an hour for field labor. Are they setting the bar that agriculture needs to rise to or is it an artificial standard? He is concerned that competition with cannabis puts other agricultural farms out of business and some farms will not survive the green rush. Labor is harder to secure now. Farm owners are being told by their laborers that they are switching to cannabis farm work for better pay. It is becoming harder to motivate people to grow food when the profit isn't as good. "Spend money where you want to see it go," such as supporting local farmers at farmers markets.

Land Use: Josh Lebombard, Oregon Department of Land Conservation and Development

Fourteen out of the 19 statewide planning goals for agricultural land conservation apply to Southern Oregon. The goals preserve and maintain lands used for ag production. SB 1598 put Cannabis into the same agricultural category as all other agricultural businesses in Oregon. It is grown on EFU and Ag Land. Reasonable regulations apply such as setbacks, noise, odor, water use, lighting, waste management, canopy use, etc. Jackson Co. adopted reasonable regulations about a year ago. Josephine Co. rural-residential marijuana production debates banning commercial marijuana production in rural-residential areas. Jackson Co. does not allow marijuana grows on rural-residential land, and Josephine Co. has not ruled on this yet.

Challenges of productions are that greenhouses cause noise, odor, and compaction of prime soil. There has been an increase in traffic since legalization of marijuana. Jackson and Josephine account for 1/3 of the permitted cannabis grows in the state. There has been an increase of land value on land with resource rights because of the ban on grows in rural-residential areas. There has been a 24% increase in land price in Williams each year

because of land use rights. The median home price in Williams is now \$302K .The price of land is going up everywhere around the Rogue Valley because (in part) of this.

Statewide goals attempt to minimize rural-residential development. There is an increase of interest to purchase land with irrigation rights to grow cannabis. Bringing in one's own soil in makes the original soil less valuable to pot growers. Greenhouse and nursery is #2 commodity in Oregon (value in \$). As farmers are aging and the land transfer is complex, cannabis could grow as a land use crop.

The cannabis production sites are only using a portion of their available land because of planter boxes and other production techniques which concentrate production to smaller plots of soil spaced over a larger acreage, limiting conversion of land for other uses.

Regulations: Megan Lanier, Lanier Consulting

Both traditional farming and cannabis have similarities and challenges associated with them. How and where do they intersect? Changes in the food system related to the cannabis industry include the use of land (an entire field versus concentrated production sites), water use as well as housing and land costs. If irrigation rights are not being used to full potential they can be revoked. This can lead to loss of all water rights. Cannabis growers can lease them to others to keep them.

It is more expensive to lease land because of less cash flow to traditional ag farms. Not using irrigation properly leads to loss of rights. Being able to utilize all of available land is essential to coexisting production practices. There is an expressed concern from cannabis farmers that their neighbors are using chemicals that cannot be used in marijuana production (that don't meet state regulations of pesticides allowed for marijuana production). Outdoor grows are more vulnerable than indoor grows. Doing multiple grow sites on land will allow full use of land and the rights associated with that land. Often pot farmers farm other things because they own the rights, but the farmers must make sure that pesticides used in other productions will not contaminate their marijuana product.

She recommends to keep having dialogue on the issues among stakeholders as the cannabis industry develops.

Regulations: Michael Johnson, Siskiyou Sungrown

Many people haven't been using agricultural water rights to full potential. Michael expresses the interest to bring cannabis into rightful place as an agricultural crop and out of the shadows so it can generate income and tax funds. Marijuana can use water that is designated to agricultural crops instead of relying on illegal water use. Pot farmers often spend their money at local farmers markets, supporting their farming neighbors. There is a lack of farm labor associated with people finding jobs on pot farms. Raised minimum wage on pot farms is "a tide that can lift all boats," bringing money into the community. He makes a comparison: A hay farmer uses

50,000 gallons of water a day (during dry season) with little revenue, it provides 1 job. The marijuana farm that the hay farm was converted into uses a fraction of that water while making far more revenue, \$1million in revenue and 20 jobs. Cannabis can be grown without lights, fans, trucks, and other rural impacts that people complain about. It just depends on how it is grown.

Michael is encouraging the right types of production strategies that will create a legal and sustainable marijuana cultivation system in light with other agricultural production.

Question and Answer

Q: What is being done to protect land use rights and resources?

A: Currently cannabis is considered to be a farm crop. Cannabis production is often similar to nurseries in terms of cement paving and raised beds, greenhouse production, etc. We must look to create regulations and non-regulatory approaches to protect land use rights to their full potential.

Q: What compensation can the average field hand expect? What appeal to the younger generation does farming have?

A: \$12.00 an hour for brand new workers; with skills and experience \$14.50 an hour (for grapes and pears). The price of produce hasn't changed much since the 70's. We don't put a lot of value on our food. I don't know what attraction is appealing to the younger generations. It's hard to farm.

Q: Since the footprint of cannabis is smaller, who is monitoring and regulating agricultural wells?

A: It is monitored by the honor system. There are options for land-owners to lease unused water rights to another person downstream. If water rights are not used for 5 years they are subject to cancellation, "we try not to cancel water rights though." A new farmer coming into play who affects another water user downstream is often subject to cancellation. It is up to the land-owner to monitor themselves. Domestic wells are allowed. A person is allowed to irrigate ½ an acre of non-commercial land without water rights. Canals can be used for growing cannabis if they are county run. Federally owned/run water does not allow for cannabis cultivation use.

Q: Are canals federally regulated?

A: It depends. If it's federal water going through the canal it can be. There lots of levees in the Klamath Basin that are federally regulated because they contain federally owned water. Feds do not allow federal water for use of cannabis cultivation. Land-owners can enter into a contract with the government to use water that comes from upstream federally regulated water areas.

Q: Is there a limit to how large a cannabis plantation can be?

A: Yes but it depends on the style of production (greenhouse, outdoor, indoor). 40,000 square feet of canopy for outdoor production. OLCC is in control of recreational cannabis. They do initial inspections as well drop in inspections to make sure a farmer is within the allowed limits.

Q: Can counties revisit zoning laws?

A: Yes. Rural residential zoning can allow or disallow cannabis grows. Jackson County has approved medical cannabis. Josephine County is still in debate.

Q: Do you think we will see a decline in regional self-sufficiency in food production in the Illinois Valley?

A: We are more food secure than most communities and less food secure than you would imagine. We (the Rogue Valley) produce 6-10% of our food in our valley compared to 2% in the Willamette Valley. It's not that we don't grow it, the issue is that we don't buy it. If we could incentivise people to buy local goods we would have less of an issue. Local lands being purchased by non-local companies siphons out production benefits.

Q: Water use comparisons?

A: Cannabis uses less water than hay. Irrigation strategies differ for different crops, so use cannot be directly compared to effectiveness of production. Building relationships with community and customers is the best way to combat the influx of larger corporations coming into the valley (which in theory use more water less efficiently). There are no longer Oregon residency requirements to buy large tracts of land. Many larger cannabis producers and corporations want to eliminate mom and pop organizations. Support local farmers.

- Water comparisons:
 - 1 acre of ag land needs 4 acre/feet (1 acre soaked 4 feet deep) of water
 - Cannabis uses far less water. It uses drip irrigation instead of flood irrigation.

Q: Why aren't vineyards facing the same complaints as pot.

A: We don't have big, noisy greenhouses. There is no stigma with wine.

Q: What will keep the price of pot up now that it's legal?

A: In short, it's not going to stay up. Large surplus and slim margins will drop prices. Quality of product will separate success. We can't turn a blind eye to the bootlegging. Medical and recreational prices will drop, but bootlegging prices will stay relatively similar because of outsourcing to other states and regions as well as less fees and taxes associated with growing legally.

Q: How can we encourage and foster a climate that benefits all types of farmers?

A: Civil conversation, which doesn't happen very often. We look for ways to reinforce our thoughts, but don't look to other perspectives. Uniting together to strengthen the economy in our region will benefit all farmers.

Q: Are there thoughts on how to integrate hemp and pears into systems that are not mono-crop fields?

A: Regenerative agriculture is the next step up from sustainable agriculture. Low and no-till systems, water usage and irrigation systems are on the forefront of regenerative issues. Every

vineyard that I know of is not a mono-crop farm, which encourages biodiversity. Marijuana has regulations on chemicals that other agricultural production doesn't face, so it's difficult to do companion planting with marijuana to create a healthier environment. There are many banned pesticides for marijuana grows that are not banned elsewhere in the agricultural industry. Often marijuana farmers find their product at risk of being contaminated due to leaching pesticides. Perennial planting will help.

Q: Traffic use on rural county roads. Safety and wildlife concerns. What are regulations that can be made to address these problem?

A: When cannabis was legalized in Oregon, a lot of people moved here to grow cannabis but don't do it legally. Non-licensed producers move here. The causation of traffic is not because of licensed producers. The increase of traffic is not because of legal grows, but mostly illegal grows. Enforcement of illegal grows will combat the heavy traffic associated with marijuana production. Josephine Co. has no regulation associated with this so it is a larger issue than in Jackson Co. Paving driveways to minimize gravel on public roads. Conversely, it is heard that large-scale OLCC regulated grows are the issue endangering high traffic on rural roads.