



EMPLOYMENT OUTLOOK

GROWING DEMAND

Cannabis is blooming after some ups and downs. Now thousands are finding work in Oregon's newest billion-dollar industry.

BY PETE DANKO | pdanko@bizjournals.com

It's been a roller-coaster ride for Oregon cannabis growers in the five years since the adult-use market took shape. With an open licensing policy, the market crashed after the 2017 harvest drove production far above demand. Prices didn't begin showing sustained recovery until midway through 2019. Then came last year's pandemic boom. Retail sales in the industry rose nearly 40%, to \$1.1 billion, and wholesale "usable marijuana" prices soared 60% above crash levels.

The market remains highly competitive, but many growers are in an improved position. Employment in the sector, so far as it's known, expanded 18% from 2019 to 2020.

A bigger jobs boom might have to wait until federal legalization opens up national and international opportunities for Oregon growers, but further expansion appears likely.

The big picture

There are 1,234 licensed grows in the state, according to the Oregon Liquor Control Commission, the agency that regulates the adult-use cannabis industry. That number is expected to increase this year as the OLCC clears through a backlog of applications remaining from 2018, when it stopped taking new applications in response to the crash.

How many employees those licensees comprise is fuzzy.

The Oregon Employment Department put cannabis ag employment at 2,464 as of the third quarter last year, up from 2,095 a year earlier. But the department says its data, relying principally on unemployment insurance information, covers just 284 businesses.

That doesn't mean the department is missing nearly 1,000 grows; it's unlikely that all the OLCC licensees are actually in operation. Clearly, though, there's a gap in the count.

"There's also a lot of seasonal employment," grower Vin Deschamps noted.

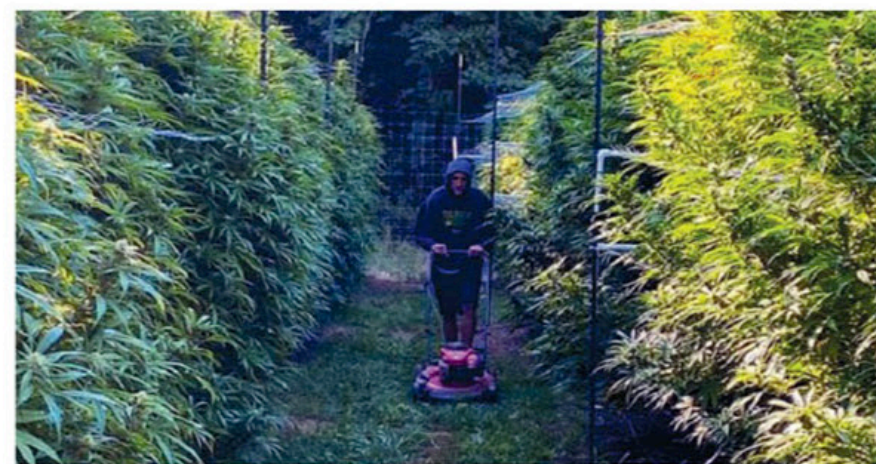
That's especially true for outdoor cannabis grows, like the one that Deschamps and his wife, Kate, own outside Cave Junction, in Josephine County.

In 2020, around 8 million pounds of cannabis were harvested by Oregon's OLCC-licensed growers, according to the agency. Just over half, 4.1 million pounds,



Grown Rogue's new indoor grow in Medford uses a full-time, year-round crew of around 20 people.

GROWN ROGUE INTERNATIONAL



Keeping the rows tidy at 54 Green Acres, and a licensed grow in Josephine County.

54 GREEN ACRES

was classified as outdoors. The rest was divided nearly evenly between indoor and mixed.

'Sungrown'

"We like to call it sungrown," Deschamps said, "because the sun is really the key factor, providing that spectrum of light that gives you the

superior terpene profiles." Deschamps typically has five full-time people year-round for the tier II outdoor grow, the largest license size available from the OLCC, ranging from 20,000 to 40,000 square feet, or just under an acre. As needs pick up during the growing seasons, he'll begin

supplementing the staffing with part-time workers.

"You'll end up with maybe 15 part-time people, some in mid-summer, but the majority we bring aboard the beginning of October," Deschamps said. That's when harvest hits, all over the wider region from Northern California into the Oregon's southwest counties, one of world's most productive outdoor cannabis producing regions.

That and demand from other crops, including wine grapes, can make finding labor a challenge. 54 Green Acres tries to ensure it has what it needs by using recruiters and providing amenities, such as allowing people to camp on the park-like property and providing showers and lunch.

Bringing them back

"We want to make it a good work environment, so people come back," Deschamps said. "Probably about half our crew returns the fol-

lowing October, and that's good for us in ensuring quality work."

Paying hourly, instead of a piece-meal rate, also helps in that regard, Deschamps says.

"If you pay people by the pound, you're going to get into hassles over whether it's the quality of trimming you expect," he said. "We want to avoid that."

54 Green Acres has deals for nearly all of its production with a small number of buyers, so it works through the crop fairly quickly. By the time the new year rolls around, all but a few of its part-timers are on their way. (Other grows might hold onto harvested material for several months before fully processing it, hoping to take advantage of better spot-market pricing as the outdoor crop recedes from the market.)

Throughout the year, Deschamps said, he gets inquiries about permanent positions, often from out of state, from people looking to apprentice in the business.



54 GREEN ACRES

Vin and Kate Deschamps at 54 Green Acres, their cannabis farm in Josephine County.



"The challenge is finding experienced people who know how to manage an operation."

VIN DESCHAMPS, 54 Green Acres

"The challenge is finding experienced people who know how to manage an operation, who can work with us on how we want to do things," he said. "We've found we need to grow those people ourselves."

To make that happen requires several categories of staffing, beginning with a grow lead.

"It's that GM component that really ensures the whole system works together," Strickler said. "It's a more skilled, experienced, higher-paid position."

Specialists then head up key areas: propagation, pest management, fertigation and plant management.

"Under plant management, there's a manager, but underneath that manager there's anywhere from six to 10 people," Strickler said. "That's where the majority of our labor comes in. That's where you might have more entry-level people."

After the harvest

That's the grow side.

"We also have a post-process manager," Strickler said. "Harvest, drying, curing, trimming, testing, packaging and shipping are all part of what needs to happen."

Indoor grows work on a steady, overlapping rotation, so harvest and processing are constants.

"The team we have on staff is essentially busy year-round, 365 days a year," Strickler said. "The plants never stop growing."

That also provides steady cash flow.

"The indoor grow kind of covers our day-to-day costs and overhead," Strickler said. "Outdoor becomes the frosting on top. That's the current Oregon business."

But long term, he expects that to change in ways that could tilt more production outside, changing the business and labor dynamic.

"We're very excited about the export potential, the geographic differentiation that we have here, where we think we can produce a very high-quality product at a lower cost that literally you can't produce somewhere else," Strickler said.



OBIE STRICKLER, Grown Rogue

Strickler, the CEO, said. "Efficient, disciplined production of quality flower is proving to work really well for us."

"We've simplified our product line essentially to flower," Obie