

- EXECUTIVE SUMMARY -

Organic, Fair Trade Pot? The State of Ethical Consumerism in Portland's Recreational Marijuana Sector¹

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Does legalizing marijuana resolve most of the environmental issues in cannabis production?

NO. Environmental problems in marijuana production are often associated with *illicit* grow operations. However, *licit* marijuana production can also have adverse environmental impacts. Indoor production uses more energy per square foot than a hospital. Energy is used to regulate air temperature, warms water for irrigation, powers intensive lights, and ventilates/dehumidifies the air to avoid mold. Energy is also used to pump CO₂ into growhouses to increase growth rates. On average, production of a kilogram of bud releases 4600 kg of CO₂ into the atmosphere. Aggregated nationally, that is about the same amount as 3 million American cars. Outdoor production can also harm the environment through over- or mis-use of herbicides, pesticides, fungicides, or fertilizers, which may contaminate watersheds, and enter the food chain.

Is there really a market for environmentally-friendly recreational drugs?

YES. For the past two decades, supply and demand of ethically produced wine, beer, spirits, and tobacco have increased in the United States. **Organic wine labeling** originated in the 1980s when small farms inspired by the organic movement began producing wine without sulphur dioxide. After 1990, when Congress passed the National Organic Foods Act in 1990, many larger wineries began adopted such practices. Today there are many environmental labels for wine, including the California Certified Organic Farmers, USDA Organic, and the Lodi Rules for Sustainable Winegrowing. Sixteen percent of American wine consumers report that they look for sustainability labels. **The rise of organic beer and spirits** can be traced to the 1997 USDA National Organic Program, which created standards for the beverages' ingredients. Today, organic beer makes up 11% of the market share and is a \$9.6 billion dollar industry continuing to grow. Sales increased 20.7% from 2013 to 2014 and production rose 16% from 2014 to 2015. Other sources confirm that demand for organic spirits, such as vodka distilled from organic grain or brandy from organic grapes has started to grow. Finally, the **US tobacco market has seen an uptick in demand for more environmentally conscious products**. In 1991, the Santa Fe Natural Tobacco Company became the first producer of 100% additive-free natural tobacco cigarettes. Today, organic tobacco commands twice the price of conventional, and sales have increased ten percent annually over the past decade. *Across wine, beer, spirits, and tobacco, demand for environmentally oriented products is growing strong.*

What happens when an environmentally-conscious consumer asks a local budtender for eco-pot?

As the keynote speaker at a Portland cannabis business conference asserted, "There's so much power that budtenders have. If they like a product, it flies off the shelf." In March of this year (2016), my research assistants and I visited a random sample of half of the dispensaries selling recreational marijuana in Portland. We used the February 26, 2016 list of dispensaries provided by the OLCC website to identify all 130 dispensaries, and randomly selected 65 dispensaries. Visiting the dispensaries in pairs, we asked the budtenders: 1) Do you have any environmentally friendly and socially responsible pot? 2) What makes it more socially or environmentally responsible than conventional products? 3) Why isn't it easier to find ethical pot in Portland? 4) Do people often come into this dispensary asking for ethical pot? We independently recorded the responses to these questions, then compared and combined our answers. Data were coded by three researchers. One dispensary had shut down, so the results describe findings from 64 visits.

¹ This summary was prepared for practitioners interested in environmental issues and ethical consumerism in the licit recreational marijuana market in Portland, Oregon. The working paper can be found at ElizabethAnneBennett.com.

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How often do consumers ask for environmentally friendly pot in your dispensary?

28% Frequently. Always, all the time, loads, people are very interested, it's what we are known for.

53% Sometimes: Not that often, every once-in-awhile, sometimes, a few times, once or twice.

19% Never: You are the first to ask, never, nobody has.

How did dispensaries respond to our request for environmentally-friendly pot?

86% were prepared to sell us environmentally friendly pot

9% said eco-pot exists in Portland, but they did not have it available in their dispensary

5% stated there was no such thing (or that they had never heard of) eco-pot

In those dispensaries ready to sell us eco-pot, what made it environmentally friendly?

These were some of the answers given. Some dispensaries gave multiple answers.

51%	Trust that the grower, distributor, and/or producer used environmentally friendly methods
20%	All pot is environmentally friendly because the state requires pesticide testing
18%	It is Clean Green Certified
13%	The dispensary/budtender grows the pot themselves
11%	No explanation/reason
9%	It is certified/verified by some other organization besides Clean Green and the state
7%	Its ethical because it's locally produced.
7%	It was grown in a sun/greenhouse or outdoors
4%	All pot is organic because it is natural, a plant, from the earth

So why is ethical pot *not* more readily available in Portland?

These were some of the answers given. Some dispensaries gave multiple answers.

37%	It is a new (legal) industry, there will be more demand for ethical pot as it grows
25%	Barriers to supply, such as: cost to the grower, distributor, or producer; eco pot yields lower quality and/or quantity; cost of meeting and paying for eco certification)
23%	Other answer; erroneous answer; did not know
22%	USDA, federal, state, and/or local government is not doing what it could to facilitate this
16%	People tend not to think about the environmental aspects of pot because they believe all pot is grown naturally and is "of the earth" so it could be harmful to the environment
13%	Barriers to demand, such as: consumer price is high; only some demographic groups will pay for it
11%	Consumers simply do not care if pot is ethical or not

How accurate was the information given by budtenders?

We compared the budtenders' information to our own research (interviews, conferences, literature):

19%	Most information correct. Knowledgeable about environmental issues, noted certifications.
48%	Some inaccuracies, unaware of certifications, identifies some environmental issues
33%	Little to no information, primarily false information, denial of certification existing

What does this say about the landscape of environmentally responsible marijuana in Portland?

81% of dispensaries report that consumers sometimes or frequently ask for environmentally responsible marijuana. And 86% of dispensaries are willing to sell it to them. But what "counts" as eco-pot varies greatly across dispensaries, and the standards are not always meaningful. It is disconcerting that *half of the dispensaries gave us poor information* about environmental issues in cannabis. This is especially troublesome because about two thirds of dispensaries asked us to *trust* that they or their colleagues engage in environmentally-friendly practices. The industry could benefit from more robust educational campaigns, the creation of multi-stakeholder standards-setting bodies, and third-party auditing/certification systems. I strongly recommend increased organization and collaboration with environmental NGOs, fair trade advocacy organizations, and agricultural justice campaigns.