

S.J. County suspending hemp permits after illegal pot bust

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Over the last two years, San Joaquin County has issued more than a dozen permits for industrial hemp operations.

When the San Joaquin County Board of Supervisors approved an ordinance in 2019 allowing the business type to operate, planning department and agricultural commission staff said industrial hemp production would bring revenue to the area.

But on Tuesday, supervisors unanimously approved an emergency and temporary ban on issuing such permits after the San Joaquin County Sheriff's Office uncovered an illegal marijuana grow earlier this year.



Sheriff Pat Withrow said his office learned of the illegal grow on Howard Road — located west of Interstate 5 in French Camp — in March, and after a six-month investigation, 260 officers from 14 different law enforcement agencies converged on the property.

Withrow said officers found 563,000 plants, ranging in height from 6 to 36 inches in more than 300 greenhouses during the operation. The plants, he said, contained as much as three times the THC levels legally allowed by state, federal and county law.

In addition to raiding the Howard Road property, Withrow said investigators raided the owner's house in Brentwood, where they found assault rifles, pistols and as many as 15,000 rounds of ammunition. Three people were arrested there, Withrow said.

"This is just one of the areas we've hit," Withrow told supervisors. "They were just more advanced on this than us. We're new to this, and we don't have the manpower to stay on top of it, and this is happening throughout the state."

According to county staff, similar operations have been found in Contra Costa and Siskiyou counties, and there could be more in at least 10 other counties.

Members of the unnamed group apply to the county agricultural commissioner's office for registration or licenses to grow industrial hemp outdoors. Then, they build and sublease greenhouses on the site to unlicensed growers for an initial startup price of as much as \$100,000, along with monthly rent of as much as \$2,500, staff said.

The licensed group members sell the growers starter plants — which are actually cannabis — that have started off-site, and then offer to buy the full-grown cannabis plants back from their tenants, staff said.

The mature cannabis plants are then dispersed to several grow locations across the state, where they are harvested and ultimately sold on the black market, staff said.

The group, staff said, can make as much as \$15 million using this method of operation.

"They just use these ordinances against us to give them time to grow illegal marijuana under the guise of hemp," Withrow said. "Then we come in and say 'it's hot, you've got to destroy it.' Then they go 'oh. okay.' Then they load it up in a truck in the middle of the night and plant it in Siskiyou County. Now they're months ahead in their grow process and get it out on the market there illegally."

According to the Agricultural Marketing Resource Center, industrial hemp is from the plant species *Cannabis sativa*, and has been used worldwide to produce a variety of industrial and commercial products.

Some products include ropes, textiles, clothing, paper, bioplastics, biofuel, insulation, and even food.

County staff said 13 industrial hemp permits have been issued since September of 2019, of which only four licensees have harvested their crop, and they have been unable to sell the crop for manufacture.

Board vice chair Chuck Winn, who represents Lodi, said that even if supervisors had not approved the industrial hemp ordinance two years ago, illegal grows would most likely still be occurring.

Withrow answered that his department on Tuesday issued its 100th warrant on an illegal marijuana grow in the county.

“I know this is probably the tip of the iceberg,” Winn said. “But this is something we probably really need to think about before we move or after we pass this particular suspension.”

Tuesday’s permit suspension will not affect existing industrial hemp operations, nor will it affect a proposed cannabis business park at 12470 East Locke Road in Lockeford.

The development, which would include cultivation, distribution manufacturing and retail operations on a 371,918-square-foot property, was approved by supervisors in July.

The industrial hemp permit suspension will only affect those who have not yet applied for permits in the county.