



TESTIMONY

Senate Committee on Business and Transportation

February 19, 2018

Oregon Farm Bureau Federation Supports HB 4068

Thank you for the opportunity to provide testimony today in support of HB 4068. As a reference, the Oregon Farm Bureau Federation (OFB) is the state's largest general agricultural association, representing growers of over 250 different commodities and a variety of production methods in Oregon.

As background, the 2011 Legislature established uniform contracts, set payment schedules, and provided financial assurance to growers of grass seed. These protections were meant to ensure the timely payment for production of "proprietary seed." HB 4068 expands those protections to all seed types and reflects OFB policy passed by our grassroots in 2016:

Payments to Growers 10.600

1 We support the licensing of dealers, priority liens, and bonding the
2 act of merchandising to guarantee payments to growers for raw product
3 deliveries. Legislation should take into consideration the uniqueness of
4 participation contracts between growers and purchasers.

5 Oregon law should give agricultural producers immediate protection
6 for the amount they are owed for their products. That protection should
7 extend until they are paid in full. Protection should be simple and
8 inexpensive to maintain.

9 It should be clear that a commodity covered by the grain producer's
10 lien continues to be covered by that lien regardless of whether the
11 commodity is a proprietary variety grown under contract or not and not
12 as an agricultural services lien.

13 Growers should be paid no later than 30-days from the time of
14 shipment or in case of non-shipment within 10-months following the
15 harvest year. (02)

16 This protection should apply to producers of all varieties and species
17 of-seed. (16)

In 2016 and 2017, OFB joined other agricultural associations in a work group to develop language to expand the 2011 contract protections to all seed kinds. We finalized our negotiations this past autumn, and the compromise language is reflected in HB 4068. This legislative proposal:

- Expands coverage of seed production or purchase contract laws to include all varieties of seed, determined by the Oregon Department of Agriculture (ODA); and
- Provides an incentive for seed dealers to meet contract requirements, enforced by ODA.

OFB respectfully requests your support of HB 4068. We appreciate the opportunity to comment today.

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