

OWC



OREGON WHEAT COMMISSION

**Testimony before the Senate Committee on
Rural Communities and Economic Development
Respectfully Submitted by Jana Jarvis on behalf of
The Oregon Wheat Commission
April 23, 2013**

Chair Witt and Members of the Committee:

RE: HB 2616

The Oregon Wheat Commission, known as the first producer-funded and governed commodity commission in the United States, brings HB 2616 before you today to make some technical corrections. During the 2011 legislative session the Oregon Grains Commission, governed by ORS 576, was disbanded and their responsibilities absorbed by the Oregon Wheat Commission residing in a different section of statute in ORS 578. Some important references were removed and we are before you today to correct this.

Most of these corrections revolve around the collection of the assessment for wheat and barley production in Oregon. Section 2 of HB 2616 references issues arising from the out-of-state grain elevator collection of the assessment. In most circumstances, out-of-state elevators cooperate with the state of Oregon and collect and forward these assessments in the same manner that in-state elevators operate. In rare circumstances, out-of-state elevators refuse this responsibility and HB 2616 assigns the responsibility to growers to self-report.

Additionally, although the assessment resides in ORS 578, the cross reference for the penalty provision was neglected when this statute was updated last session. Sections 3 and 4 of HB 2616 provide a mechanism for the Oregon Wheat Commission to levy penalties and commence civil action should a handler or first purchaser choose to not collect and remit this assessment. This is more often than not a case of timely reporting on the part of the purchaser and at present the Commission has no leverage to ensure compliance.

Section 5 provides the Wheat Commission with two options for their reserve funds. Present statute requires them to hold no more than \$250,000 in any one financial institution so their aggregated reserve funds are distributed among ten or more financial institutions. HB 2616 would allow them to aggregate these funds in a major financial institution or to invest in the state investment pool in like manner as cities and counties in Oregon. With the uncertainty of crop production and the uncertainty of general fund support for research at Oregon State University, it is prudent for the Oregon Wheat Commission to carry adequate reserve funds.

Lastly, Section 6 provides for a definition of grain that was deleted earlier. With the increased production of canola and other grains as a rotation crop, it is important that this definition allow for the assessment of these crops in the future. The Oregon Wheat Commission asks for your support for HB 2616.