



Oregon
Department
of Agriculture

635 Capitol Street NE
Salem, OR 97301-2532
Main Office: 503-986-4552

OREGON DEPARTMENT OF AGRICULTURE

SB 194- Repealing Statutes Regulating Produce Dealers

**Presented to the
Senate Rural Communities and Economic Development Committee
February 5, 2013**

The produce licensing and bonding program was created in the 1950's. The program was created to protect growers and ensure payment for their products.

Prior to implementation of the law, retail produce peddlers would go to farms with trucks and vans and purchase produce from growers to transport it back to urban areas and sell it. In addition, it was not uncommon for growers to deliver produce to wholesale produce dealers and to have multiple loads of produce in the marketplace for which they had not been paid, and without any regulation to protect the growers. At the time these produce dealers were very mobile.

To remedy the problem, the produce dealer's laws, ORS 585.010-585.220, were created. The law requires a small license fee for retail produce dealers, retail produce peddlers and cash buyers of produce. Additionally the law requires wholesale produce dealers to provide a bond of \$15,000 each year to acquire the license to purchase produce on account from the growers. (Today, a \$15,000 bond would scarcely cover a single pickup load of produce, let alone large volumes from multiple growers in any given year.)

Today, produce dealers sell produce from brick and mortar establishments. Dealers have contractual relationships with the growers for most of the crop production purchased. In addition, farmers are increasingly selling the fresh market crops they produce at local venues such as a Farmers Market.

In the current fiscal year, the program licenses only: 89 wholesale produce dealers, 24 produce peddlers and 29 cash buyers. The program is administered on a complaint basis and has not received or responded to a complaint for over 10 years.

The department has met with several farmer groups. During those meetings, it became evident that the law regulating the produce dealers had outlived its usefulness and that they supported the repeal of these statutes.

SB 194 repeals an outdated statute, which requires a license or license and bond for dealers, buyers and peddlers of produce.

*Contacts: Lisa Hanson-Deputy Director-Oregon Department of Agriculture-503-986-4632
Jim Cramer-Ag Marketing and Certification Director-503-986-4631*