

## Testimony before the Senate Committee on Environment and Natural Resources

### Please support - HB 3382

May 11, 2015

#### Chair Edwards and Members of the Committee:

My name is Anna Scharf and I am here today on behalf of Scharf Farms in Perrydale, OR to urge you to vote yes on HB3382. I am here to share with you what I see as the economic value of canola.

For crop year 2014 Scharf Farms grew 118 acres of Canola under the ODA and OSU administered program. That year we also grew 143 acres of Radish. That crop was contracted privately to a seed company. Both were rotational crops to grass, wheat and clover.

Canola is a commodity crop traded on the open market just like wheat, soybeans, etc. The farmer determines when to sell based on the current market price or their individual need for cash flow. At the time of harvest in 2014 the market price was favorable so we harvested and delivered the Canola immediately from the field to the plant and received payment within 30 days.

The radish we grew, however, was a different story. We harvested and delivered the radish immediately per the terms of the contract, but the radish was a proprietary crop owned by the seed company and payment for that crop has not happened. Per the terms of the contract, the first crop payment was due to Scharf Farms on April 15<sup>th</sup>, but that payment has yet to be received and we are not alone. As of today, Scharf Farms along with 31 other family owned farms have filed crop liens with the Secretary of State's office totaling over \$4.5 Million dollars for radish seed grown for the same seed company during crop year 2014. Our next step will be to file a lawsuit to foreclose the Grain Producers Lien in order to exercise our rights and proceed with payment collection. We are spending money on attorney's fees in order to get paid for a crop that we grew under contract. A crop that we have already paid for in the way of labor, fertilizer, harvest costs, etc. and cash flow from that crop that we do not have to pay for the expenses of this year's harvest.

Cash flow in farming is extremely important, especially during harvest. This is the time of the year when farm inputs; labor, fuel, etc. are at their highest. The ability to harvest and sell a crop immediately or when needed is a valuable tool to have. Other rotational crops that we grow are proprietary; radish, grass, clover, row crops, etc. and have payment terms that are tied to when the contracting company wants the product; often several months after harvest and changes to those payment terms during contract negotiations is often difficult to impossible.

Therefore, from a purely economic standpoint, HB3382 would allow for 500 acres of family farms to have an additional cash flow opportunity for the next three years. I ask that you please support HB3382.

Thank you for your time.

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