



March 27, 2017

Testimony in Support of HB 3116, -2 amendment House Committee on Economic Development and Trade

Chair Lininger, members of the Committee:

Friends of Family Farmers encourages your support for the -2 amendment to HB 3116. Our members include farmers and food producers across Oregon, including many who engage in farm-direct sales via farmers' markets, farm stands, and through community supported agriculture (CSA). Farm direct agriculture is an important contributor to Oregon's economy, providing income for thousands of small and mid-sized farms. This is of growing economic importance: According to USDA's most recent Census of Agriculture, Oregon is now in the top ten states for total value in farm-direct sales (over \$44 million annually), and ranks sixth in the nation in the number of farms that sell farm-direct, with over 6,000 doing so.

Recognizing the importance of farm-direct agriculture, the Legislature in 2011 passed Oregon's Farm Direct law, which clarified rules around licensing and labeling for many farm direct products. HB 3116 follows in this vein and is intended to allow the farm-direct sale of 'ungraded' eggs as long as they are labeled as such. The sale of 'ungraded' eggs is currently a widely undertaken practice at farmers markets and in other farm-direct settings despite not being clearly allowed under Oregon law. To ensure that farm-direct egg producers in Oregon have clear rules, and to be consistent with common practice, HB 3116-2 is needed.

We began talking with representatives of the Oregon Farmers Market Association about the need for this legislation and the proposed amendment after learning that the law was not clear, a situation that could ultimately make farm direct egg sales more costly and difficult for farmers. Federal law and many states allow the sale of 'ungraded' eggs, and it had previously been assumed that, based on ODA rules, this was the case in Oregon as well. But in fact, current Oregon law does not explicitly allow 'ungraded' egg sales, putting ODA rules that allow such sales in conflict with the law.

With the -2 amendment, HB 3116 would clarify rules for farm-direct egg sales by:

1. Allowing 'ungraded' eggs to be sold farm-direct and under consignment to end consumers at farmers markets and in other farm-direct settings, as long as they are labeled 'ungraded' and candled to inspect quality
2. Allowing licensed egg handlers, in addition to producers who are exempt from licensing, to sell eggs labeled 'ungraded' to their farm-direct customers
3. Specifying how consignment egg sales under Oregon's Farm Direct law can take place, allowing consignment sales if either the producer, or a person selling eggs on behalf of the producer, possesses an egg handler license.

In order to provide certainty and clarity for Oregon's farm-direct egg producers as they prepare for the 2017 market season, we hope this bill as amended can move forward as soon as possible. Thank you for the opportunity to testify today. We urge you to advance HB 3116-2 to the House floor with a 'do-pass' recommendation

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