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Chair Clem and members of the committee,

My name is Anna Scharf and I work for my husband and his brother on our family farm near Amity, OR. I am here today to introduce HB 4068 and ask for your support and passage of the Measure. First, I would like to thank Representative Post for being the chief bill sponsor and Representatives Evans, McLain, Noble, Parrish, Wilson and Witt for signing onto the bill as well. Their support shows the importance of Ag to Oregon and the desire to work across the aisle to protect family farmers.

The provisions in HB 4068 are not a new concept to the Oregon Ag industry. During the 2011 Legislative Session, several bills were introduced to assist the grass seed industry with timely payment for the production of "proprietary seed." The outcome was HB 2159. It established uniform seed contract terms, set payment schedules, and became a vehicle for financial assurance within the industry. However, the final negotiated bill excluded "other" types of seed and only defined grass seed.

Since then, farmers have experienced similar issues to those that prompted the grass seed industry to act in 2011. Specifically, in 2014, over 40 growers in the Willamette Valley became entangled in a lawsuit with one of the largest banks in the U.S. A single radish seed company contacted acres to grow proprietary seed, they then took out a bank loan using the seed inventory as collateral, and then defaulted on that loan with the bank. The bank wanted the seed / collateral and sued the growers to get it. The farmers were forced to form an association to financially defend themselves in federal court. Here we are today, almost 4 years later, and the lawsuit (which the farmers won in Federal Court) is currently being appealed in the 9th Circuit Court. Farmers need protections from situations like this and HB 4068 will take great steps in making that a reality.

In 2016, I went to my local Farm bureau meeting and asked for their support in getting the grass seed protections extend to include all other seeds within the seed industry. Not long after that, the Oregon Farm Bureau House of Delegates voted to support my effort.

Over the past year, seed growers, trade associations, and seed companies have worked to draft bill language that was suitable across all cropping systems, and acceptable to farmers and seed companies.

The result is HB 4068 and it will:

- It expands minimum contract requirements for seed production or purchase contracts to include all varieties of seed, as determined by the Oregon Department of Agriculture.
- It allows for ODA to demand payment for all contracted seed mirroring the existing "slow pay/no pay" laws and leverages current administrative rules.
- It requires seed dealers to meet seed contract requirements or be subject to license revocation by the Oregon Department of Agriculture.

Agriculture is a valuable economic contributor to the Oregon economy. I urge you to pass HB 4068 and provide farmers and the seed industry with another tool to keep that economic engine working smoothly.

Regards,

Anna Scharf, Scharf Farms Inc.