

HB 4068 STAFF MEASURE SUMMARY

House Committee On Agriculture and Natural Resources

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Meeting Dates: 2/6, 2/8

WHAT THE MEASURE DOES:

Establishes requirements for seed production contracts and seed purchase contracts for commercially-grown seed or seed mixtures. Specifies payment to the producer under a seed production contract is due no later than the earliest of: the dates specified in the contract, thirty days after seed delivery, or July 1 of the calendar year following seed harvest. Clarifies timeline for transfer of responsibility for storage fee payment and risk of loss from producer to dealer. Clarifies seed production contract requirements apply to non-written seed production agreements. Specifies that terms of a seed purchase contract must include the estimated date for seed delivery, the terms and estimated date for the seed dealer to pay the seed grower, the amount of seed to be purchased, and the species, cultivars, and quality standards of the seed to be purchased. Specifies possible courses of action if the seed dealer receives notice from the producer that test results indicate seed does not meet quality standards, and an inquiry from the producer as to whether the seed dealer intends to purchase the seed. Authorizes the Oregon Department of Agriculture (ODA) to determine whether timely payment has been made upon notification by a producer or seed grower of a failure to pay on time under a seed production contract or seed purchase contract. Authorizes the Director of Agriculture to adopt rules and charge fees for the administration and enforcement of the act, and to make mediation services available through the ODA for the resolution of seed production contract and seed purchase contract disputes. Requires ODA to report rule adoption to the next regular session of the Legislative Assembly.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

ORS 576.715 to 576.747 are commonly known as the "slow pay, no pay" statutes, established during the 2011 Legislative Session (House Bill 2159) with the intent of addressing ambiguity in contract payment dates and prices, and delayed contract payments to grass seed growers from grass seed dealers. The legislation established provisions for seed production and purchase contract terms, payment due dates, contract modification, seed not meeting quality standards, seed dealer failure to make timely payments, seed dealer financial assurance, rules adoption, and mediation services. The law pertains only to agricultural seed, defined as grass seed commonly sold for use in turf lawns or as forage seed.

House Bill 4068 would extend seed production and purchase contract requirements to the entire seed industry, and is the result of a 2017 work group process that included seed growers, seed companies, membership associations, and the Oregon Department of Agriculture.