

RV Farms

11607 Baron Rd. NE

Mt. Angel, OR 97362

Chair Riley and Fellow Members of the Committee:

I served for 9 years on the NORPAC Board of Directors.

NORPAC was one of the largest agricultural marketing cooperatives in the history of the state of Oregon. Founded in 1924, NORPAC membership was made up of vegetable farmers, and the co-op processed canned and frozen vegetable products for dozens of restaurants and retailers. NORPAC employed over 1500 full-time union employees.

In addition, I was a member-grower of AgriPac, also another large vegetable processing cooperative that failed in 1999/2000.

My personal experience as a long-time farmer, active member, and board member of failed agricultural cooperatives in the Willamette Valley is that cooperative reform is long overdue and must be addressed by the Oregon Legislature.

My experience is that executives within cooperatives do not provide needed transparency to members or board members, and in many cases lack of accurate information that led to significant harm to farmers, employees and the community. Almost every co-op failure can be traced back to accounting and/or inventory discrepancies that had benefited co-op executives at the time, but ultimately led to the demise of the cooperative itself before they were discovered. SB 468, SB 469, and SB 775 are good and important first steps toward needed cooperative reform and **I urge the passage of these bills.**

However, there are two specific proposals that need to be added to agricultural reform:

#1. All Ag Cooperative boards should be required to have at least two independent board members that do not answer to the CEO, CFO or any staff.

#2. Members of agricultural cooperative should have the right to have the payment of their crop guaranteed by the "Oregon Crop Lien Laws". Currently only ag co-op members are left without these protections, and consequently, CEOs/CFOs/Executives are able to use the current year crop delivered by their members as collateral to guarantee bank loans. This allows banks to loan Ag Co-ops money that they would never loan to a company that must guarantee payment to their farmers.

I urge you to pass these protections for Oregon's family farmers and their cooperatives.

Respectfully submitted,

Ron Vandecoevering
RV Farms, Inc.