

A-Engrossed
Senate Bill 507

Ordered by the Senate March 6
Including Senate Amendments dated March 6

Sponsored by Senators GOLDEN, WEBER; Senators PROZANSKI, SMITH DB, Representative HELM (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Makes certain changes to farm direct marketing law.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to farm direct marketing; creating new provisions; amending ORS 616.683, 616.686, 632.715
3 and 632.771; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 616.683 is amended to read:

6 616.683. (1)[(a)] Except as provided in subsection [(7)] **(8)** of this section, **the following are not**
7 **subject to ORS 616.695 to 616.755:**

8 (a) **The use of space by a farm direct marketer** for the sale, or exposure or offering for sale,
9 of agricultural products described in [subsections (2) and (3)] **subsection (2)** of this section by [a]
10 **the farm direct marketer** [does not make the space used by the farm direct marketer subject to ORS
11 616.695 to 616.755].

12 (b) [Except as provided in subsection (7) of this section,] The sale, or exposure or offering for sale,
13 of agricultural products described in [subsections (2) and (3)] **subsection (2)** of this section by a farm
14 direct marketer [does not make the farm direct marketer or a consigning agricultural producer subject
15 to ORS 616.695 to 616.755].

16 (c) [Except as provided in subsection (7) of this section,] The storage or preparation of agricul-
17 tural products identified for sale by a farm direct marketer [does not make the farm direct marketer
18 subject to ORS 616.695 to 616.755].

19 (2) Subsection (1) of this section applies to farm direct marketer sales, **and consignment sales,**
20 of the following types of agricultural products:

21 (a) Fresh fruit, vegetables and herbs.

22 (b) Fruit, vegetables and herbs, if those items are cured or dried by the agricultural producer
23 as part of routine post-harvest handling.

24 (c) Dried **or freeze-dried** fruits, vegetables and herbs for which drying is not part of routine
25 post-harvest handling, **or herbal tea or a blend of dried herbs**, if:

26 (A) The principal ingredients are grown by the agricultural producer; and

27 (B) The product is labeled with a list of ingredients and the name and address of the agricultural
28 producer.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [italic and bracketed] is existing law to be omitted.
New sections are in **boldfaced** type.

1 (d) Shelled nuts and unshelled nuts, if those items are cured or dried by the agricultural pro-
2 ducer as part of routine post-harvest handling.

3 (e) Fruit-based syrups, preserves, jams, fruits and vegetables, **and fruit and vegetable juices**,
4 if those items are:

5 (A) Producer-processed products;

6 (B) Acidic foods;

7 (C) Labeled with a list of ingredients and the name and address of the agricultural producer;
8 and

9 (D) Bottled, packaged, [*or*] **water-bath** canned **or steam** canned by an agricultural producer
10 that during the preceding calendar year had annual sales of fruit-based syrups, preserves and jams,
11 fruits and vegetables, **and fruit and vegetable juices**, described in subparagraphs (A) to (C) of this
12 paragraph that in total did not exceed [*\$20,000 or a higher limit established by State Department of*
13 *Agriculture rule under ORS 616.686*] **\$50,000**.

14 (f) Shell eggs.

15 (g) Honey, if not combined with other food ingredients.

16 (h) Olive oil.

17 (i) Whole, hulled, crushed or ground grains, legumes and seeds, if of a type customarily cooked
18 before consumption.

19 (j) Parched or roasted grains, if of a type customarily cooked before consumption.

20 **(k) Tree-sap-based solid sugar, cream and liquid syrup products that are made by heating**
21 **sap from trees of the genres Acer or Juglans and have a solids content of not less than 66**
22 **percent by weight, or 66 degrees Brix, and to which nothing has been added.**

23 [*k*] **(L)** Popcorn, nuts, peppers and corn on the cob, if those items are roasted at the place of
24 purchase by the agricultural producer after purchase and not sold for immediate consumption.

25 [*L*] **(m)** Products identified by the [*department*] **State Department of Agriculture** by rule.

26 [*3*] *Subsection (1) of this section applies to consignment sales of the following types of agricultural*
27 *products:]*

28 [*a*] *Fresh fruits, vegetables and herbs.]*

29 [*b*] *Fruit, vegetables and herbs, if those items are cured or dried by the agricultural producer as*
30 *part of routine post-harvest handling.]*

31 [*c*] *Unshelled nuts that are cured or dried by the agricultural producer as part of routine post-*
32 *harvest handling.]*

33 [*d*] *Shell eggs, if the producer or the seller is licensed as an egg handler.]*

34 [*e*] *Honey, if not combined with other food ingredients.]*

35 [*f*] *Olive oil.]*

36 [*g*] *Products identified by the department by rule.]*

37 [*4*] **(3)** Subsection (1) of this section does not apply to foods that have been commingled.

38 [*5*] **(4)** Title to agricultural products sold on consignment remains with the consigning agri-
39 cultural producer until the products are sold to consumers. Agricultural products sold on consig-
40 nement must be clearly and conspicuously labeled with the name and business address of the
41 consigning agricultural producer.

42 **(5) Subsection (1) of this section applies to Internet sales of agricultural products de-**
43 **scribed in subsection (2) of this section by a farm direct marketer, as long as the Internet**
44 **sales:**

45 **(a) Are to persons within this state; or**

1 **(b) Comply with any applicable federal requirements concerning interstate sales of agri-**
2 **cultural products.**

3 **(6) A farm direct marketer may contract with a third party for delivery, marketing or**
4 **other facilitation of sales of agricultural products described in subsection (2) of this section,**
5 **subject to the provisions of this section and any rules adopted under ORS 616.686.**

6 [(6)(a)] **(7)(a)** In addition to any other required labeling, agricultural products described in sub-
7 sections (2)(e) to [(j)] **(k)** [or (3)(d) to (f)] of this section shall bear on the label a statement informing
8 consumers that the product is not prepared in an inspected food establishment. Except as provided
9 in paragraph (b) of this subsection, the required wording for the label statement is: “This product
10 is homemade and is not prepared in an inspected food establishment.”

11 (b) The department may adopt rules specifying alternative wording for the label statement re-
12 quired under paragraph (a) of this subsection to the extent that the alternative wording is necessary
13 in order to comply with federal requirements.

14 [(7)] **(8)** The department may require that a farm direct marketer or the space used by the farm
15 direct marketer be licensed under ORS 616.695 to 616.755, if the farm direct marketer or the person
16 in control of the space used by the farm direct marketer refuses to comply with a department rule
17 adopted under ORS 616.686 or 616.700 for keeping the space used by the farm direct marketer in a
18 clean, healthful and sanitary condition or for ensuring the condition and safety of the food the farm
19 direct marketer provides to retail purchasers.

20 **SECTION 2. The State Department of Agriculture shall adopt rules to implement the**
21 **amendments to ORS 616.683 by section 1 of this 2023 Act as soon as practicable after the**
22 **effective date of this 2023 Act.**

23 **SECTION 3. Section 2 of this 2023 Act is repealed on January 2, 2024.**

24 **SECTION 4.** ORS 616.686 is amended to read:

25 616.686. (1) The State Department of Agriculture may adopt rules for the administration and
26 enforcement of ORS 616.683.

27 (2) [*The department may adopt rules increasing the food sales limit described in ORS 616.683*
28 *(2)(e)(D) by an amount that reflects changes in the Consumer Price Index for All Urban Consumers,*
29 *West Region (All Items), as published by the Bureau of Labor Statistics of the United States Depart-*
30 *ment of Labor.*] The State Department of Agriculture may not adopt rules to [*decrease the food sales*
31 *limit described in ORS 616.683 (2)(e)(D) or to*] decrease an acidified food sales limit previously es-
32 tablished by the department by rule.

33 **SECTION 5.** ORS 632.715 is amended to read:

34 632.715. (1) Unless the person holds a permit issued under ORS 632.730, a person may not sell
35 or distribute within this state any eggs to consumers or to retailers without having first obtained
36 an egg handler’s license from the State Department of Agriculture. The license is not required:

37 (a) Of a producer selling and delivering eggs of the producer’s own production directly to an
38 individual consumer;

39 (b) For the sale of uncandled eggs to other than a consumer;

40 (c) For the sale by a retailer to a consumer of eggs that previously have been candled and
41 graded by an egg handler in compliance with ORS 632.705 to 632.815; or

42 (d) For the sale on consignment under ORS 616.683 [(3)(d)] **(2)(f)** of eggs produced by a licensed
43 egg handler.

44 (2) Application for an egg handler’s license shall be made to the department, on forms prescribed
45 by the department.

1 (3) Each egg handler's license expires on June 30 next following the date of issuance or on such
2 date as may be specified by department rule. The license is not transferable to any person. The
3 original of the license shall be conspicuously displayed in the main office of the licensee. A duplicate
4 copy of the license shall be conspicuously displayed in each separate branch, store, sales outlet, of-
5 fice, warehouse or location operated or owned by the licensee in which eggs are candled or graded.

6 (4) The department, in accordance with ORS chapter 183, may refuse to issue, or may suspend
7 or revoke, an egg handler's license issued under this section, or a permit issued under ORS 632.730,
8 if the applicant, the permit holder or the licensee has violated or is violating the provisions of ORS
9 632.705 to 632.815 or rules promulgated pursuant thereto.

10 **SECTION 6.** ORS 632.771 is amended to read:

11 632.771. (1) The labeling of any container used by an egg handler shall include the information
12 required by the federal Act or rules promulgated thereunder, or:

13 (a) The full, correct and unabbreviated designation of size and grade or quality of the eggs;

14 (b) The common or usual name, if any there be, of the eggs or egg product;

15 (c) The lot or production code, number or date;

16 (d) The net contents;

17 (e) The name and address of the egg handler or distributor, and in the case of a distributor shall
18 include qualifying terms as "packed for," "distributed by" or "distributor"; and

19 (f) The Oregon state egg seal or the official number assigned to the egg handler by the State
20 Department of Agriculture.

21 (2) The labeling information required by subsection (1) of this section shall be of a size and in
22 a location prescribed by the department or by the rules promulgated under the federal Act.

23 (3) If eggs are sold by retailers to consumers from a bulk display, in lieu of the labeling infor-
24 mation required by subsection (1) of this section, there shall be a clearly visible and legible placard
25 prominently displayed immediately adjacent to such display containing the size and grade or quality
26 of the eggs.

27 (4) Advertising of eggs or egg products shall conform to such provisions of subsection (1) of this
28 section as the department may prescribe.

29 (5) Notwithstanding subsections (1) to (4) of this section and ORS 632.786 (5) and (9), except as
30 provided under subsection (6)(a) of this section, a producer may sell candled eggs using the desig-
31 nation "ungraded" instead of designating the size and grade or quality of the eggs if:

32 (a) The producer:

33 (A) Sells eggs of the producer's own production directly to consumers; or

34 (B) Sells eggs of the producer's own production by consignment under ORS 616.683 [(3)(d)]
35 **(2)(f).**

36 (b) The labeling and display of the "ungraded" designation conforms with the size and location
37 requirements prescribed under subsections (2) and (3) of this section for the labeling and display of
38 an egg grade designation.

39 (6) For ungraded eggs described in subsection (5) of this section:

40 (a) The labeling must include a net content statement indicating the number of ungraded eggs;
41 and

42 (b) The labeling or display need not include any statement of net weight.

43 **SECTION 7. This 2023 Act takes effect on the 91st day after the date on which the 2023**
44 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**