



February 4, 2026

Co Chairs Helm and Owens, Vice Chair Finger McDonald, Members of the Committee,
House Committee on Agriculture, Land Use, Natural Resources, and Water

RE: SUPPORT OF HB 4065-1

On behalf of the Oregon Seed Council, thank you for the opportunity to provide testimony in support of HB 4065-1.

The Oregon Seed Council is a trade organization that advocates for seed farmers, marketers, brokers, researchers, and others involved in the Oregon seed industry from when the seed is planted to when the seed ultimately makes it to the hands of consumers. Through our membership, the Oregon Seed Council represents approximately 1,300 grass, legume, and specialty seed growers in Oregon.

The Oregon Seed Council supports House Bill 4065, which updates statute surrounding seed contract payments.

WHAT THE BILL DOES

1. Clarifies the dates for when payments must be made.
2. Clarifies in statute that dealers must submit notice of payment to Oregon Department of Agriculture (ODA).
3. Increases the seed grower fee to ODA.
4. Increases interest rates for dealers on failure to pay under slow pay/no pay law.

-1 AMENDMENT

The -1 amendment updates the interest rate payment language. This update would support a request of the ODA to make the determinations of the rate less ambiguous for the department, those who may incur an interest penalty, or be receiving an interest payment. OSC supports the language in this amendment.

BACKGROUND

The slow pay/no pay statutes (ORS 576.700 to ORS 576.814) were established to provide minimum contract specifications for Oregon seed growers and to prevent "slow pay/no pay" problems, specifically, this refers to when payments are to be made for contracted seed.

The ODA administers the slow pay/no pay program to assist growers in obtaining timely payments for their crops.

In 2011, HB 2159 was implemented, covering grass seed types commonly sold for turf lawns or as forage seed.

In 2018, HB 4068 extended slow pay/no pay protections to all other seed kinds, including other agricultural seeds, vegetable, and flower seeds.



Since its inception in 2011 through 2024, one complaint had been filed, and that was in 2024.

In 2025, complaints increased to 22 total. While primarily the references to the uptick in complaints in the news have centered around the grass seed industry, it is important to know that other seed types have had complaints filed as well.

INFORMATION ON THE 2025 COMPLAINTS

According to ODA, in 2025:

- Three of the 22 cases were resolved without department involvement.
- One case had no determination.
- 13 cases for the 2024 crop tall fescue underpayment had the following results:
 - 11 notices of payment demand issued
 - One withdrawn
 - One pending (complaint received 12/15/2025)
- Five cases related to other seeds - these are still in progress.

INFORMATION ON 2024 CROP UNDERPAYMENTS

- The department has reported that 11 Notices of Payment Demand were issued to one seed company who had paid growers less than they were owed for 2024 crop tall fescue.
- Contested case hearings were scheduled for early December for eight cases.
- In November, the company paid all 11 growers the outstanding amounts plus interest owed and rescinded their requests for contested case hearings.

There is one more contested case hearing underway. The next court date will occur later this month. We anticipate the results of that case hearing will provide additional context and clarity on how authority is interpreted, and whether there may be a need for amendments to existing statute or rule.

NEXT STEPS

We want to be clear that while this bill seeks to change a few small areas in statute, there are changes that may need to be made within this statute and/or the rule that will be made clear following the contested case hearing process and the Oregon Department of Agriculture rulemaking process this spring.

Regarding the rulemaking, there are some inconsistencies in the rules that have been identified by the department that can be fixed in the rulemaking process. With this truly the first time the slow pay/no pay law has been put to the test, the process has highlighted some areas for improvement.

OSC and our member organizations look forward to participating in the ODA Rulemaking Advisory Committee this spring. Based on the department's anticipated timeline, we are encouraged and believe this will clarify what can be updated through rulemaking, bring stakeholders together, and will allow for a clear forum to discuss challenges and opportunities to improve the rules and process for all parties.

We believe that following the administrative case hearing in process, we will learn more to inform how the industry may wish to proceed.

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Following both of these administrative processes, we believe this will provide the industry a window into what errors, omissions, and improvements may need to be made in statute.

Market pressures and regulatory hurdles have placed a heavy burden on the Oregon seed industry. Our members want to take a thoughtful approach to regulatory efforts, to ensure Oregon remains the "*Grass Seed Capital of the World*," as we, much like other agricultural industries in Oregon, are seeing pressure in new markets both within the nation and internationally. Careful consideration of policies and regulation and consultation with industry members and organizations helps ensure the long-term viability of our industry.

We believe the increase in the interest rate presented in this bill will help bridge a gap where growers are disadvantaged if they are underpaid and/or payment is not made within the deadline of Oregon statute.

A handwritten signature in dark ink that reads "Megan Chuinard Graser".

Megan Chuinard Graser
Executive Director
Oregon Seed Council