

# “Oregon Statutory Contract”

## Statutory Seed Production Contract

Oregon State Law provides that the **payment date, seed storage and length of contract, provisions outlined below are in force between a seed dealer and a seed grower if a contract for the production of a dealer’s proprietary seed is not agreed to and signed *BEFOR* the seed in question is planted. **These minimum contract standards are legally binding and are not optional in Oregon.** A grower may not agree to contract terms less favorable for him than those outlined below; however, a grower may agree to contract terms that are more favorable for him than those outlined below.**

### 1. Payment Date Options:

Payment is due 30 days after seed is delivered to the seed dealer upon the dealer’s request, or May 1 of the year following harvest ***whichever occurs earliest.*** The final payment date of May 1 is in force even if the seed dealer has not taken delivery of the seed as long as the grower has processed the seed and made it available for shipment.

Staggered payment plans used by some dealers are legal as long as the final payment is made by May 1 of the year following harvest.

Payment dates: \_\_\_\_\_

### 2. Seed Storage and Risk of Loss:

Responsibility for storage and risk of loss transfers to the seed dealer when the grower presents the dealer with a test showing that the seed produced meets the quality specifications agreed to ***or*** when the dealer takes possession of the seed ***whichever occurs earliest.*** The grower may clean the seed sooner than requested by the seed dealer’s cleaning schedule. Cost for seed storage may be determined by the grower or may be negotiated between the dealer and the grower.

Grower will provide seed storage at a rate of \$.35 per cwt. per month. (OGSBA suggested storage rate)

Other agreement on seed storage: \_\_\_\_\_

### 3. Contract Term:

The **Oregon State Law provides a 2 year contract term**, however the parties may agree to a longer term contract.

3 year contract term.

4 year contract term.

### 4. Oregon Statutory process for disposal of seed produced by a grower that does not meet quality specifications required by a seed production contract; this applies to ALL seed production contracts no matter when signed:

If seed test results show that the seed produced does ***not*** meet the quality standards required by the seed dealer, the grower may at any time reclean the seed or send the test results to the seed dealer and inquire as to whether or not the dealer intends to purchase the seed. If the dealer responds within 30 days that he does intend to purchase the seed, it shall be sold to the dealer under terms agreed to in a **Seed Purchase Contract**. The price may be anything the grower and dealer agree to except that it may not be more than the price would have been for seed meeting contract quality standards.

Grower’s initial communication with the seed dealer presenting him with the test results and inquiring as to his intentions to purchase the seed and the dealer’s reply to the grower must be in a form that can be used to document that it was actually received by the other party (e-mail with a response, hand delivery with a signed receipt, certified mail with return receipt).

If a grower sends an inquiry to a seed dealer asking if he intends to purchase seed the grower has produced for him that does not meet quality specifications in the contract, and the dealer does not reply within 30 days, the dealer’s lack of response may be acknowledged as a refusal to purchase the seed and an authorization for the grower to sell the seed in any reasonable manner as Variety Not Stated Seed (VNS).

For an explanation of a **Seed Purchase Contract** as defined in Oregon law see the **Oregon Seed Growers Contracting Handbook** produced by the Oregon Grass Seed Bargaining Association.

