



Tami MacLeod

Shareholder

541-749-4072 Direct

tmacleod@schwabe.com

AGRICULTURAL LIENS AND COLLECTIONS

Agribusiness Management Program
Chemeketa Community College

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TOPICS TO BE COVERED:

1. Agricultural Services Liens
2. Agricultural Produce Liens
3. Grain Producer's Liens
4. Thoughts on Collections in General (time permitting)

Information today should be helpful whether you are the farmer, buyer, or supplier of labor, material or services.

PRELIMINARY DEFINITIONS AND TERMINOLOGY

BASIC FACT PATTERNS

1. Labor, services, materials provided by you (or to you) which aid in the growing or harvesting of crops or raising animals
2. You have raised a crop (agricultural produce or grain) and have now sold it to an unrelated buyer – or you are that unrelated buyer

AGRICULTURAL SERVICE LIENS

WHAT IS IT?

A person (or entity) who performs labor, supplies materials or provides services on farmland, range, ranch, orchard or in that person's place of business to aid the growing or harvesting of crops or the raising of animals has a lien upon the crops or animals, as well as a lien on the proceeds from the sale of the crops or animals (and a lien upon the unborn progeny of the animals in utero on the date the notice of claim of lien is filed). Ors 87.226(1).

BASICALLY, A LIEN AGAINST/IN CROPS OR ANIMALS.

FOR HOW MUCH?

Contract price or reasonable value for all labor, services or materials performed or furnished during the six (6) months immediately preceding filing of a Notice of Claim of Lien

“PERFECTION”

File Notice of Claim of Lien with Oregon Secretary of State (“SOS”) not later than 75 days after the last labor, services, or materials were furnished.

WHAT JUMPS OUT ABOUT PERFECTION?

75 days

After the last labor, services, or materials were
furnished

With SOS

Form (ASL-1)

AFTER NOTICE FILED WITH SOS

Mail To Debtor/Chattel Owner (“forthwith”
and cert)

Mail To Other Secured Creditors (within 30
days of filing)

or NO COSTS AND ATTORNEY FEES & LIMIT ON
AMOUNT THAT GETS SUPERPRIORITY

HOW LONG DOES LIEN LAST?

Eighteen (18) months after filing with SOS, or if extended payment term, six (6) months after that term expires

Maximum 2 years

HOW WHAT?

General collection but if no payment, Foreclosure.

FORECLOSURE

Judicial or Non-Judicial

Non-Judicial not available if ASL has attached to proceeds

AGRICULTURAL PRODUCE LIENS AND GRAIN PRODUCER'S LIENS

WHAT IS IT?

An Ag Producer that delivers or transfers Ag Produce (or Grain) for consideration to a Purchaser has a lien on:

- * the Ag Produce (or Grain); AND
- * all other inventory of the Purchaser, from other Ag Producers or produced by Purchaser itself, whether comingled, blended, or co-packaged or not; AND
- * all proceeds from the sale of any Ag Produce (or Grain) sold by the Purchaser to a third party; AND
- * if the Ag Produce is a “meat animal,” the Purchaser’s accounts receivable.

ORS 87.705(1); ors 87.755(1).

ATTACHMENT

Upon delivery of the Ag Produce to the Purchaser
(or Agent)

With Grain, does NOT attach while being cleaned or
stored by another

FOR HOW MUCH?

Contract price or reasonable value of the Ag Produce

“PERFECTION”

No filing required for APL or GPL to perfect

But query...just because you are not required to
file, *should you?*

AFTER NOTICE FILED WITH SOS

Mail To Other Secured Creditors
(within 20 days of filing)

or NO SUPERPRIORITY

HOW LONG DOES LIEN LAST?

APL

Expires at the end of the 45th day after the date final payment was originally due

As deadline approaches, can be extended by recording a Notice of Claim of Lien with Oregon SOS (APL-1)

If extended by filing, expires at the end of the 225th day after the date final payment was originally due

HOW LONG DOES LIEN LAST? CONT.

GPL

Expires 180 days after the lien attached (at delivery)

As deadline approaches, can be extended by recording a Notice of Claim of Lien with Oregon SOS (GPL-1)

If extended by filing, expires eighteen (18) months after the lien attached (delivery)

NOW WHAT?

General collection but if no payment, Foreclosure.

FORECLOSURE

Judicial only

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