

October 2003

My name is Charles R. Stauffer. I am representing Stauffer Farms, Inc, CNR Farms, Inc, and Stauffer Brothers, LLC. These are family owned corporations which farm hops and hazelnuts. I have served three 3-year terms as a commissioner on the Oregon Hop Commission.

Our farm was established in 1865 and I am a 5th generation farmer. We started growing hops in the early 1930's.

We are opposed to the Hop Marketing Order. We believe that the HMO would put us (as well as most other Oregon hop growers) at a distinct disadvantage because:

1) We feel we have responsibly reduced our hop growing acreage according to demand. We currently grow 280 acres of hops. At the termination of the last Hop Marketing Order we grew 420 acres, a reduction of 1/3 of our acreage.

We do not buy into the theory of producing more to lose less. We believe in the concept of supply and demand.

2) We have reduced acreage, while others have increased or stayed the same. If base were issued to cover existing pounds or acres, it would be necessary to cut the base by at least 40-50%.

If that happens, it would be causing us to reduce when we've already cut by 30%, while others never reduced at all.

3) By using years 1997-2003 for developing base, it is really unfair to us, and other Oregon, Idaho, Washington and California growers who responded responsibly to supply and demand in years prior to 1997.

I expressed this when asked about this issue during development stages of this order. The response from people doing the drafting work was that they try to be fair to as many as possible, but they can't be fair to everyone.

If it can't be fair to everyone, then it should not be put into effect. Why should the responsible grower pay the price for the irresponsible grower?

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4) The HMO would restrict our ability to sell varieties of hops that we believe could and should be included in a global market.

5) If the HMO were established, it would allow other countries to take some of our existing markets. It is clear that the HMO would send domestic brewers in search of products from other countries, when much of their supply need could be met here domestically.

6) Voting for referendum, or the components of the HMO, are vitally important issues. It has never been clear to us how equal voting rights can be determined. All grower numbers should be obtained fairly by meeting specific requirements, and should not be considered for voting privileges otherwise.

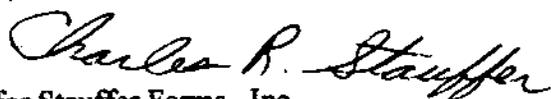
This is a slippery, grey area. The voting process deserves much thorough consideration. I personally feel it is impossible to achieve a fair voting process for everyone involved. If the voting process can't be fair, then the HMO should not even be considered.

7) We have no desire to be a handler, and don't want this involuntary title or responsibility. We want to be hop growers, raising our own crop and selling it in a free market.

There have been 3 previous HMOs and all have failed. Perhaps some feel the last order worked well for 15 - 20 years. Then why did the U.S. Government terminate it? If a Hop Marketing Order were put into effect, it would fail for the same reasons as previous orders: greed and mismanagement.

These are different times now. More countries have more technology, and will certainly take more market share if given the opportunity. Our country was built with the concepts of free marketing, and supply and demand. We would like to continue to operate under these freedoms. We don't want a Hop Marketing Order to dictate how to run our farming operation. Thank you for the opportunity to express our opinions and concerns.

Respectfully submitted  
by Charles R. Stauffer



for Stauffer Farms, Inc.  
CNR Farms, Inc.  
Stauffer Brothers, LLC  
13851 Stauffer Rd. NE  
Hubbard, OR 97032