

**Testimony before  
Joint Tax Credit Committee  
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Co-Chair Burdick, Co-Chair Bailey, Co-Chair Berger and members of the Committee :

I am Tomas Endicott, VP for Business Development at Willamette Biomass Processors (WBP)—Oregon's largest oilseed processor, located in Rickreall. WBP contracts oilseed production with growers throughout Oregon. WBP processes Oregon-grown canola, camelina and soybeans. The oil extracted from these oilseeds is converted into biodiesel in Oregon.

I would like to encourage members of the Tax Credit Committee to keep the Oregon oilseed and biofuels industries moving forward by supporting SB 620 and by voting the bill out of this committee.

SB620 seeks to extend the Biomass Producer and Collector Tax Credit program which is set to expire on December 31 of this year. Created during the 2007 legislative session, the Oregon Biomass Producer and Collector Tax Credit program was designed to give the biomass industry in Oregon a six-year runway to achieve adequate capacity and scale and to justify the value of new biomass products in the marketplace. In the agricultural oilseed area of the Oregon biomass industry, farmers and oilseed processors have not been able to respond to the tax credit incentive as quickly as originally anticipated. Oregon farmers have only generated significant tax credits on oilseed production over the last two years. Moreover, it has taken farmers several years to discover which oilseed crops are appropriate for their particular production areas. Oregon farmers and oilseed processors still need a little more runway to get this industry off the ground. With a few more years of incentive I am sure that mature markets for Oregon-produced oilseeds will establish a basis for stability and competitiveness within the Oregon agricultural economy.

The Biomass Producer and Collector Tax Credit is a necessary incentive to encourage farmers to take limited risk by inserting a new crop into their rotation and learning to maximize the yield and the value of that new crop over several growing seasons. The state's investment in supporting the development of oilseed crops through the biomass tax credit program has been small. In 2010 Oregon oilseed producers claimed approximately \$180,000 in producer tax credits—about 3% of the total amount claimed for all biomass feedstocks. This represents a

modest amount of money compared to the more than \$5.5 million in total biomass tax credits claimed by woody biomass producers over that same period.

The Biomass Producer and Collector Tax Credit represents an investment in Oregon agriculture and in Oregon business. The Oregon Biomass Producer and Collector Tax Credit has generated economic development and it has created jobs. In operation since late 2008, Willamette Biomass Processors (WBP) has invested more than two and a half million dollars in a modern oilseed crush plant that can process 120 tons of seed per day. The facility can produce between two thousand and six thousand gallons of vegetable oil each day— depending upon what type of seed is being processed. WBP has created ten full-time positions that include health benefits, as well as several part-time positions. Seven of the ten full-time employees were unemployed before being hired by WBP.

Vegetable oil that becomes biofuel and oilseed meal that becomes high-protein livestock feed are both products that displace material that would otherwise be imported from out-of-state. Dollars spent on Oregon-produced biofuel and Oregon-grown livestock feed further circulate within and contribute to the Oregon economy.

The biodiesel market is expanding in Oregon, and, as a result, biodiesel production facilities will require greater volumes of feedstock. As the volume of used cooking oil in the Pacific Northwest is limited, agricultural oilseeds are a source of new biodiesel feedstock that also bolsters the Oregon agricultural economy.

If the Oregon agricultural oilseed industry is given the opportunity to find varieties appropriate to particular production areas and is allowed reasonable time to prove out agronomics and yield for those varieties over the next few years, oilseed production can become an important part of crop rotation and a significant contributor to the Oregon economy.

Thank you for your consideration of SB 620. Please support the Oregon oilseed and biofuels industries by moving this bill forward.