

Canola Seed Production in the Willamette Valley  
HB 2427

I wish to address the recent move by Oregon Department of Ag. to allow the production of Canola in the Willamette Valley protected district. My name is Scott Miller and I farm grass seed, wheat, vegetable seeds, and berries near Woodburn. I am a fourth generation farmer in the valley and second generation vegetable seed grower. I have a son that wishes to follow me in growing vegetable seeds. The reasons Canola production in the Willamette has the potential to destroy the seed business in the valley is;

- Canola cross pollinates with mustards, hybrid radish and some cabbages
- Canola is a contaminate in clover, grass and vegetable seed. It can not always be cleaned out of a seed lot. If discovered in a seed lot, that lot of seed becomes worth- less
- Canola is a low dollar return, subsidized crop. It can be used for bio-diesel but there is no evidence of need for this crop at this time in Oregon
- The expanded presents of Canola in the Willamette Valley will diminish and Possibly kill the 50 million dollar Vegetable seed business in Oregon. A business that has been established and exists without government subsidies.
- Much of Oregon's vegetable seeds are exported around the world. Many foreign countries perceive canola growing in a vegetable seed production area as a source of contamination and will refuse seed produced where Canola is present.
- Oregon reputation for high quality seed will comes into question as Canola is permitted to reproduce around the Valley. Jobs and income will be diminished if Canola is allowed to grow inside the current Willamette Valley protected district.
- ODA has supported a growing district for high valued vegetable in the past. Under political pressure from the governors office, ODA is weakening its stand on protecting this growing district, that has in the past allowed the vegetable seed industry to grow and prosper in Oregon.
- The introduction of canola in the valley would displace all seed growing entities that have been here for three and four generations. Oregon seed grower have a good reputation in the seed world today. Please help us maintain the standard of excellence Oregon has in the world of seed today. Stand with growers of specialty seeds , grass & clover seed growers and support HB 2427 which would prohibit the commercial seed production of Canola in the protected district of the Willamette Valley.



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## Growing our own biodiesel -- the future, or a false hope?



By [Shelby Wood, The Oregonian](#)

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THE OREGONIAN

**Could canola oil, perhaps the Northwest's best short-term option for cashing in on the national rush to biofuels, ever replace more than a smidgen of the petroleum diesel that Oregonians use now?**

**A farmer in Northeastern Oregon is betting on the butter-yellow flower.**

**Read on to learn if his gamble is starting to pay off.**

By [Gail Kinsey Hill](#) and [Scott Learn](#)/The Oregonian

When Kent Madison looked over his field of butter-yellow [canola](#) flowers this summer, his prospects seemed golden. He could burnish his farming operation and Oregon's nascent biodiesel industry.

Yet, the 1,000-acre harvest brought a harsh reality.

"We're getting just a piddly bit of oil," said the lanky third-generation head of [Madison Farms](#). He expects better results next year, but as for this year's fall harvest: "It's a real fiasco."

Turning canola oil into [biodiesel](#) may be Oregon and Washington's best short-term option for cashing in on the national rush to biofuels.

But as Madison's predicament highlights, the states' farmers face significant limits in growing the crop, despite a big push from government, new tax breaks and [the buzz](#) about biofuels' potential to strengthen rural economies.

At most, Oregon could produce enough canola for 10 million gallons of biodiesel a year, less than 2 percent of the state's diesel consumption, [an Oregon State University study](#) concluded. Counting production costs and tax breaks, OSU economist [William Jaeger](#) found that to cut the same amount of fossil fuel, growing canola was 11 times more costly than raising gas taxes.

It would take 133,000 to 400,000 acres of canola to meet Washington's requirement that diesel contain at least 2 percent biodiesel, according to a review by Washington State University analyst Kate Painter. In 2006, the state's farmers harvested 7,500 acres of canola. [LINK](#)

Biofuel backers concede that local crop production may be low to start. But slowly building capacity is a sensible part of the solution to global warming and U.S. dependence on fossil fuels, they say.

Skeptics, Jaeger included, worry that the political enthusiasm for growing biofuels is a feel-good distraction from steps that would really make a difference, such as carbon taxes and significantly higher vehicle mileage standards.

Biofuels has "this intuitive appeal because it's like growing energy in our back yard and in our farm communities," Jaeger said. "But there seems to be a fair amount of wishful thinking going on."

Biofuels is an all-purpose environmental issue. It unites Prius-driving city folk, Ford F-150 farmers, companies seeking to produce the fuels and politicians eager to look eco- and farm-friendly.

Both the Oregon and Washington legislatures have set mandates for biodiesel use that try to tie in local farm crops.

Oregon leads the nation in subsidies for in-state growers that can hit at least \$100 an acre for canola and other oil seed crops, or roughly \$1.50 per gallon of fuel produced. This summer, Portland became the first U.S. city to [mandate biofuels](#), requiring 10 percent ethanol and 5 percent biodiesel in fuel sold in the city.

"The Legislature designed a bill with an eye toward local agriculture production more so than any other state," said David Van't Hof, Oregon Gov. Ted Kulongoski's sustainability and policy adviser. That way, he said, the benefits go to the region and the state.

The states' juicy incentives, coupled with federal tax breaks, are helping fuel a [Northwest biofuel refinery boom](#). Planned ethanol and biodiesel plants could produce up to one-fifth of Oregon and Washington's fuel use.

But the large refineries are too big to rely on Oregon and Washington crops alone.

[Imperium Renewables](#), which opened a 100 million-gallon biodiesel plant at Grays Harbor, Wash., in August, plans to import canola oil from Canada.

For ethanol, refineries will import corn from the Midwest.

"The problem with the Pacific Northwest is, we don't have a comparative advantage for producing biofuel feedstocks," said Painter, a researcher at WSU's [Center for Sustaining Agriculture and Natural Resources](#). "The Midwest can grow corn with fabulous high yields that they don't have to irrigate. Canada, with its cool climate, can grow canola more cheaply."

Painter and other Washington researchers are studying whether it makes economic sense for the state to subsidize feedstock growth. "We really need to look at whether that's the best use of our public money," she said. "It may well not be. That's my gut feeling at this point."

Canola oil, squeezed from the seeds of the bright yellow flowers, is the highest-priced biodiesel feedstock. It's growing in popularity as a heart-healthy oil, and projections are for worldwide consumer demand to double. That could push prices higher.

Another constraint in Oregon: Willamette Valley farmers are banned from growing the crop because of its potential to cross-pollinate with the likes of cabbage, broccoli and cauliflower.

Washington and Oregon officials say research will improve the potential for home-grown canola as a biofuel. Other feedstocks also have potential, including waste wood from forests and camolina, a low-irrigation oil seed crop that could work on marginal lands.

Having biofuels as a potential market increases farmers' options, said Brent Searle, special assistant to Oregon's agriculture director. Whether biofuel crops make sense will depend on a farmer's need for crop rotation, the price of petroleum, the profit available in alternative crops and the amount of government subsidies.

"It's kind of a farm-by-farm evaluation," Searle said. "Whether we can collectively grow enough to do it (biofuels) on a large scale, I don't know."



DOUG BEGHTEL/THE OREGONIAN Kent Madison produces canola seed

oil at his Echo farm. Behind him is the high-protein cattle feed that remains after the oil is removed. Madison has been growing canola for 17 years on an 8,000-acre spread just west of Echo, deep into Oregon wheat country. Until last year, he shipped the harvest to Canada, a big player in canola oil food markets.

Biodiesel's growth potential, state incentives and the chance to add stability and variety to his farming operation lured him into the fuel business. Oregon tax credits helped pay for his \$1.2 million investment in the crushers, tanks and other equipment that turn the seeds into oil. He'll get another state tax break to grow his crop.

Even so, he said, he needs a purchase agreement with Portland to make the venture work.

The city is using fuel blended with 50 percent biodiesel (B50) for the city's diesel fleet. Under a contract with Salem-based [SeSequential-Pacific Biodiesel](#) -- Oregon's only biodiesel plant -- Portland officials agreed to pay the refinery and Madison the cost of production plus a little profit. That means the city will pay more than \$4 a gallon for biodiesel, compared with about \$3 for petroleum diesel.

City officials acknowledge that canola-based biodiesel costs more and that budget-minded consumers might go for cheaper blends.

But the city "wanted to create a dependable demand for the product," said Ty Kovatch, spokesman for [City Commissioner Randy Leonard](#), one of Portland's chief biodiesel advocates. "We'd rather pay a premium for a product grown and refined in Oregon than get a good deal on something that comes from the Middle East or Venezuela."

Madison will sell all his canola oil to SeSequential and the city, about 120,000 gallons this year. He also buys canola from other Eastern Oregon growers, storing the seeds in big squat bins that rise beside his fields.

This fall, he began pouring the seeds into his two giant crushers, readying the oil for transport to the Salem refinery. The process also spins off a mealy byproduct that he sells as high-potency livestock feed.

Although this year's crop of seeds yielded only half the expected oil, Madison is optimistic, especially after Portland city commissioners' assurances that city support will continue. He's talked more farmers into selling him their seed. He'll also get the new tax credit for in-state growers next year. A freshly sown canola crop stretches out rich and brown.

"We've got more product and more growers," Madison said. "I'm feeling pretty darn good."

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