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Testimony in opposition to Senate Bill 789

My name is Jason Scharf, our family has been farming in Polk County since 1884, In addition to my testimony in the hearing for Senate Bill 789, I would like to submit the following. I realize this is a long bit of testimony, but it has been a long battle.

A quick history on our family's experience with canola... 10 years ago, I was made aware of the potential opportunity to try a new-to-us crop that could potentially fit into rotation with our mainly grass seed producing operation. I was looking for something to grow that would help break weed and disease cycles that can occur from growing the same crop over and over. In our case, grass. Although we also grew clover, wheat, radish and turnip, those crops were subject to market volatility, and we wanted to add something to lessen risk further. Canola seemed to be the answer. At first, I was somewhat skeptical, believing it was a low value crop, much like some who have testified against canola in the past. After minimal research and talking to other growers, I realized it was *not* a low yielding, low value crop, quite the opposite. We planted our first crop in 2013. After a learning curve that comes with growing any new crop, I feel that we got our production methods dialed in within a couple of years. Canola has been everything we hoped for as far as a rotational crop. Although we still grow clover, radish and purple-top turnip, another brassica that has NO growing restrictions despite being extremely similar to canola, the canola consistently outperforms them. In fact, last year the canola was our third most profitable crop behind wine grapes and grass seed. In a report that was commissioned by some supporters of this bill, it is stated that "canola is expected to provide approximately \$190 per acre in profit". I can attest that this number is off by a factor over 650%. This is not surprising, since the researchers only interviewed one Willamette Valley canola farmer that I am aware of and I assume used enterprise numbers based on other growing regions with much lower yields. Using my actual realized profit numbers, their "37000 acres of canola would have to be grown in the Willamette Valley to replace the profits generated from existing brassica seed production" stated in that report, would actually be closer to 5500 acres. Also, I am curious If the total brassica seed numbers used in the report include the purple-top turnip acres. These acres are not insignificant and have been grown in very close proximity to canola in many cases with no issues during the past 10-15 years.

As I mentioned before, there are no restrictions on the acres of purple-top turnips in the Willamette Valley. I have heard in the past that acres *are* controlled by the WVSSA, but this is simply not true. I have grown turnips in the past that were not contracted with any member of WVSSA and therefore not only were not pinned, but *could* not be pinned by us. I am very curious as to why canola is in the crosshairs of the proponents, yet not the turnip acres or radish acres.

We have had no issues with canola in any of our other crops because of contamination despite concerns stated in the report. Our grass and clover crops consider any brassica a noxious weed. We have to make sure that any volunteer plants never make it to the seeding stage. It is in our best interest to make sure of this, and it has been a relatively easy task. Also, we have had fewer disease issues with the canola than in the unrestricted turnips. Most likely this is because of breeding programs for the canola. Although not restricted, we have chosen not to grow genetically modified canola. The varieties we grow have bested the genetically modified varieties in yield trials, so we have used them. Also, the processor pays a premium for non-GMO.

Another benefit of canola production is the ability to receive payment quickly after harvest. With many of the other crops, we must sometimes wait for months to be paid. Canola, like wheat, can be sold



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at harvest, or stored and sold at a later date if a grower chooses. Regardless, we usually have a check in hand within a week of the sale, not months later.

The demand for canola is on an upward trajectory. Though the majority is used for cooking oil, the renewable fuel industry is looking to canola as a source. Currently soybeans are the main source for renewable diesel. However, canola is a much more efficient source having twice the oil content of soybeans. Canola also outyields soybeans on an oil/acre basis. Also, as shown at a recent presentation I attended, California and New York alone would consume the entirety of the soybean production if it were all used for renewable diesel. This is not to say that the canola produced in the Willamette Valley would go into diesel production. There will still be an expanding demand for the oils that canola currently produces, likely the Willamette Valley production will still go to those markets.

The demand for canola byproducts is also high. Meal is the leftover product after the oil is extracted from the seed. Meal is a high quality feedstock for dairy cattle. Just one local dairy would need several thousand acres of canola production to satisfy the needs of their herd. It would be great if that meal could be produced locally.

The issue of fairness is also a concern. Under the current rules, canola can't be planted within 3 miles of any other previously pinned crop without a variance from the company contracting that crop, *not* the farmer. This effectively eliminates over 18,000 acres surrounding that pinned crop from production of any other "similar" crop. Oh, and by the way, those "pins"? Those are placed by a private organization, *not* a publicly controlled body. That private organization does not include any mechanism for individual farmers to pin any crops, only companies contracting the acres. Under current statute, ODA pins the canola acres after consultation with WVSSA, the private organization. They use the WVSSA pinning map. It seems odd that canola is the *only* crop in Oregon that must be approved by a private organization before it can be planted. This despite being scientifically no different when regarding pest, weeds, and disease pressures from crops that don't. WVSSA members have stated in the past that radish and turnip acres are all controlled by their group, but that is simply not the case. Over and over, I have heard about the vegetable seed industry being a high dollar industry. To me this is due to a few companies controlling the acres planted thus limiting the supply. The statute capping any competition from another crop only serves to hold their prices up. When it takes an 18,000 acre buffer to protect a single crop, all of the farmers in that area are limited in their choice of crop due to one field. The rules for pinning crops by the private organization are not fair to nonmembers. The fact that one person can have a pin in perpetuity and can move that pin around in a mile area, has stopped multiple potential canola growers from ever planting canola.

Lastly, there have been many comments about the lack of an economic study in the original OSU work. The proponents of canola were in favor of such a study, but it was never included. Unfortunately, this has allowed the myth of the "low value" crop to perpetuate. Not only is the myth false, but canola is actually a valuable cash crop. Please vote no on SB 789. There may be other answers to this controversy, but this is not the one.

Thank you for your time.