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MEASURE: <u>HB</u> 2427 EXHIBIT: <u>45</u> HAG & NAT RESOURCES DATE: <u>3-19-13</u> PAGES: <u>2</u> SUBMITTED BY: <u>Steve Domogalla</u>

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Address the Chair and others

My name is Steve Domogalla. I am president of International Seed Service, Inc. here in the Valley. I have a degree in Agronomy from OSU and over 30 years of experience in the seed industry.

Our company's position and that of our clients, is one in opposition to the production of canola in the Valley. We support the ban of canola for the protection of the Valley and ask for the passage of House Bill 2427.

ISSI

International Seed Service, Inc. has been contracting seed production in the Willamette Valley approximately 25 years. Our market share lies primarily with the food industry and sprouting seed market in Japan with gross sales of over 3.5 million. We have a long-standing history with growers and the industry at large to produce high quality seed here in the Willamette Valley.

Our customers require top-quality seed for their use to supply their customers in the Japanese food markets. Top-quality seed requires the best growing area found here in the Willamette Valley unique for its seed production environment that is unmatched anywhere else in the world. This Valley was recognized for its environment and production of vegetable seed with its ability to supply the world since World War II. Companies and growers together have continued to develop and supply quality seed for world markets.

W. Valley seed production

As stated the Willamette Valley is a unique production area for vegetable seed crops. Production of canola as a rotational crop for the sole use of crushing for oil that can be produced in numerous other areas does not make good agricultural sense for the use of the valley resources in seed production. It has a high documented risk and the potential result of irreversible loss to the Valley seed production for the world food markets.

Seed production is a large part of the heart of the valley agriculture. The 45th parallel runs right through the middle of the Valley here in Salem. The crops we grow here are temperate season crops that grow 15° on either side of the 45th parallel. The Coast Range and the Cascade Range create an unprecedented environment for production of seed with mild seasons and dry summers. There is a reason we are the number one grass seed production area in the world and also one of the number one vegetable seed production areas of the world.

Isolation management

What is the need for this one crop with the threat it poses to the many existing crops we have? Opening acres to canola and saying yes to a few canola growers is in fact saying no to many other growers. These growers have worked with the isolation management system in the Valley for many years and have established the right to the valued isolations needed for vegetable seed production. Crop isolations are like water rights in an area, there are only so many to go around. Growers and companies need to maintain these in order to continue to produce and meet the demand for purity that is required.

It comes down to a major fundamental problem of isolation management because canola will cross with other crops. Everywhere in the world where there is vegetable seed production, there is an isolation management system. Each of these systems are unique to their local area and were established over many years. They are all somewhat different, but they all attempt to accomplish the same essential thing; maintaining isolations to avoid cross pollination between crops. The Willamette Valley is no different. Isolation management is the root of the vegetable seed industry here in the valley for the purity of a seed crop.

The current established isolation system works on a priority system for the growers. Under this system as any such system, it offers a structured organized placement of crops. By all of us mutually agreeing to use one system, it works to maximize the number of potential production placements in the Valley. The introduction of a commodity crop such as canola with an open grower placement system creates a major problem.

Canola crushed for oil, requires no distance to maintain cross pollination standards for its own production. But other crops would require a three-mile isolation from canola, so it would in fact need a three-mile isolation in the valley to be produced. This is the same isolation distance that is required to grow a high valued hybrid vegetable seed crop. Most of the vegetable seed crops in the Valley are based on 1, 2, 3, or 4 mile isolation standard to meet cross-pollination guidelines. You can do the math, there are only so many 1 mile circles you can put in the Valley, when you go to 3 mile circles, it is exponentially less. Hopefully you get the point, that there are only so many isolations available in the Valley, and that they are valuable and must be managed for the greatest production potential.

The threat to the seed industry is real. The world is watching the direction we take for the future.

Thank you.