
MEMORANDUM

Legislative Fiscal Office
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Salem, Oregon 97301
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To: Natural Resources Subcommittee

From: Paul Siebert, Legislative Fiscal Office
(503) 986-1843

Date: June 18, 2013

Subject: HB 2427 – Relating to canola
Work Session Recommendations

HB 2427 relates to canola. The measure directs the College of Agricultural Sciences of Oregon State University to conduct a peer-reviewed study on the risks of growing canola and report their results to an interim committee of the Legislative Assembly by November 1, 2017. The measure also prohibits the growing of canola in the Willamette Valley, except to extent necessary to conduct the study, until 2019.

The –A15 admendment, the –A13 amendment (for reference only), the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS). The measure history is also available on OLIS.

The measure has a \$679,000 fiscal impact for the three year study to be conducted by Oregon State University.

Amendment:

The –A15 amendment replaces the bill. It sets the terms and date for the study by Oregon State University and the report to the Legislature. The –A15 amendment is identical to the –A13 admendment, with the addition of a \$679,000 General Fund appropriation to Oregon State University to carry out the study outlined in section 4 and 5.

Motion #1: Move the –A15 amendment to HB 2427.

Measure to Full:

LFO recommends the measure be moved to the full Committee on Joint Ways and Means, as amended.

Motion #1: Move HB 2427 to the full committee with a “do pass” recommendation, as amended.

Assignment of Carriers

Full: _____

2nd Chamber: _____

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2427**

1 On page 1 of the printed A-engrossed bill, line 2, after the semicolon in-
2 sert “appropriating money;”.

3 Delete lines 4 through 19 and delete page 2 and insert:

4 **“SECTION 1. (1) As used in this section:**

5 **“(a) ‘Canola’ means plants of the genus Brassica:**

6 **“(A) In which seeds having a high oil content are the primary eco-
7 nomically valuable product; and**

8 **“(B) That have a high erucic acid content suitable for industrial
9 uses or a low erucic acid content suitable for edible oils.**

10 **“(b) ‘Raising’ means personal or commercial growing for oil, seed,
11 forage, cover crop or other use.**

12 **“(c) ‘Willamette Valley Protected District’ means the area encom-
13 passed within a rectangle formed by the point in Tillamook County
14 that is the northwest corner of township 1 north, range 6 west, the
15 point in Multnomah County that is the most northeastern point of
16 township 1 north, range 2 east within Oregon, the point in Lane
17 County that is the southeast corner of township 19 south, range 2 east
18 and the point in Lane County that is the southwest corner of township
19 19 south, range 6 west.**

20 **“(2) The amount of canola planted per year within the Willamette
21 Valley Protected District may not exceed 500 acres. Any canola grown
22 within the protected district must be grown for the purpose of allowing**

1 the College of Agricultural Sciences of Oregon State University to
2 carry out the research duties of the college under section 4 of this 2013
3 Act. Any growing of canola within the protected district is subject to
4 prior approval by the State Department of Agriculture.

5 “(3) The department may assess a civil penalty, not to exceed
6 \$25,000, against a person that raises canola in violation of subsection
7 (2) of this section.

8 “SECTION 2. Section 1 of this 2013 Act applies to the growing of
9 canola planted on or after the effective date of this 2013 Act.

10 “SECTION 3. Section 1 of this 2013 Act is repealed on January 2,
11 2019.

12 “SECTION 4. (1) As used in this section, ‘Willamette Valley Pro-
13 tected District’ has the meaning given that term in section 1 of this
14 2013 Act.

15 “(2) Subject to the Willamette Valley Protected District production
16 cap established in section 1 (2) of this 2013 Act, the State Department
17 of Agriculture may authorize the growing of canola to allow the Col-
18 lege of Agricultural Sciences of Oregon State University to carry out
19 the research duties of the college under this section. Any authori-
20 zation for the growing of canola under this section must be limited to
21 canola crop production cycles that are completed prior to January 1,
22 2017.

23 “(3) Canola may be grown for purposes of research under this sec-
24 tion only if the isolation distance between the canola and other crops
25 equals or exceeds the industry-recommended isolation distance be-
26 tween Brassica specialty seed crops and other crops.

27 “(4)(a) The college shall use field monitoring and other research to
28 develop information and recommendations regarding whether, and
29 under what conditions, canola growing in the Willamette Valley Pro-
30 tected District is compatible with the growing of other crops. The in-

1 formation must include, but not be limited to, a comparison of the
2 compatibility of canola with the growing of other crops to the com-
3 patibility of other Brassica seed with the growing of other crops. The
4 assessment shall include, but not be limited to, a review of available
5 published materials and historical data on canola and Brassica spe-
6 cialty seed production.

7 “(b) In addition to any other required content, the information and
8 recommendations described in paragraph (a) of this subsection must
9 include, but not be limited to, a map of the Willamette Valley Pro-
10 tected District showing the places within the district where plants of
11 the genus Brassica could be grown while maintaining typical isolation
12 distances from vegetables, vegetable seeds and other crops.

13 “(5) All research described in subsection (4) of this section must be
14 peer reviewed.

15 “(6) The college shall complete its research under this section and
16 submit a report containing information and recommendations as de-
17 scribed in subsection (4) of this section to an interim committee of the
18 Legislative Assembly dealing with agriculture no later than November
19 1, 2017.

20 “SECTION 5. To the extent that the College of Agricultural Sci-
21 ences of Oregon State University deems practicable, the college shall
22 conduct field monitoring on the acreage that has been used to grow
23 canola for purposes of research under section 4 of this 2013 Act, and
24 on adjacent lands used for the research, for a period of five years after
25 completing the research. Monitored areas adjacent to the acreage that
26 has been used to grow canola must include, but need not be limited
27 to, fields planted in forage turnip seed crops, tillage radish seed crops
28 and Brassica specialty seed crops. Any monitoring of acreage that has
29 been used to grow canola or of fields planted in forage turnip seed and
30 radish seed crops must include monitoring for volunteer plants, dis-

1 eases and insects. Any monitoring of fields planted with Brassica spe-
2 cialty seed crops, other than acreage that has been used to grow
3 canola, must include monitoring for diseases and insects.

4 **“SECTION 6.** In addition to and not in lieu of any other appropri-
5 ation, there is appropriated to the Oregon Department of Administra-
6 tive Services for allocation to the Oregon University System, for the
7 biennium beginning July 1, 2013, out of the General Fund, the amount
8 of \$679,000, which may be expended for carrying out the duties of the
9 College of Agricultural Sciences of Oregon State University under
10 sections 4 and 5 of this 2013 Act.

11 **“SECTION 7.** This 2013 Act being necessary for the immediate
12 preservation of the public peace, health and safety, an emergency is
13 declared to exist, and this 2013 Act takes effect on its passage.”.

14

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2427 - A15

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Krista McDowell
Reviewed by: Paul Siebert
Date: 6/14/2013

Measure Description:

Prohibits raising canola within Willamette Valley.

Government Unit(s) Affected:

Department of Agriculture, Counties

Summary of Expenditure Impact:

See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: The bill, as amended, prohibits the raising of canola within the Willamette Valley Protected District. A civil penalty is established of not more than \$25,000 for violation of canola planted on or after effective date of the act. The State Department of Agriculture is prohibited to designate a control area allowing the raising of canola within the Willamette Valley. Oregon State University (OSU) is required to conduct research regarding the growing of canola in the Willamette Valley Protected District. OSU is directed to complete and report research results to an interim committee dealing with agriculture by no later than November 1, 2017, to a legislative committee dealing with agriculture.

The funding requested would support three years of research work by five positions including a faculty supervisor, post doctoral students and research assistants. Additional expenses will include supplies and materials needed to support the field research, laboratory research and analysis, and operations. The total cost of the study is estimated at \$679,000, with \$479,000 General Fund being spent in the first two years and \$200,000 GF in the third year.

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Paul Siebert, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

WHAT THE MEASURE DOES: Prohibits growing more than 500 acres of canola in Willamette Valley and canola can only be grown for study purposes. ODA to assess civil penalty up to \$25,000 for violation. Applies to raising canola planted on or after effective date. Sunsets prohibition on growing canola in Willamette Valley on January 2, 2019. Directs College of Agricultural Sciences of Oregon State University to conduct peer-reviewed study and report results to interim committee of Legislative Assembly by November 1, 2017. Identifies study components. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

-

EFFECT OF COMMITTEE AMENDMENT: Study findings reported by November 1, 2017.

BACKGROUND: Canola is an oilseed crop from plants in the mustard family (*Brassicaceae*). Common types of brassica used for food include cabbage, cauliflower, broccoli, Brussel sprouts, and radish. The term "canola" is widely used to refer to rapeseed; canola is a variety of rapeseed bred for human and livestock consumption as well as biodiesel production.

In early 2013, ODA adopted an administrative rule to allow some canola production while also establishing a rapeseed exclusion zone. Most of the Willamette Valley remains a protected district with two zones. A majority of the specialty seed production remains in a rapeseed exclusion zone of nearly 2 million acres where canola production is not allowed. A second zone of about 1.7 million acres allows the growing of canola but production is limited to a maximum annual total of 2,500 acres with a minimum field size of 25 acres. Producers intending to grow canola are required to apply for a contract with ODA that contains specific requirements for managing canola. ODA will award contracts for canola planting by September 1 of each year for requests received before July 15. Under this timeline, canola planting will take place no earlier than fall of 2013

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means
Vote:	8 - 1 - 0
Yeas:	Esquivel, Krieger, McKeown, Reardon, Thompson, Unger, Whitsett, Witt
Nays:	Clem
Exc.:	0
Prepared By:	Beth Patrino, Administrator
Meeting Dates:	3/19, 4/18

WHAT THE MEASURE DOES: Prohibits raising canola in Willamette Valley. Prohibits Oregon Department of Agriculture (ODA) from designating any control area in Willamette Valley that allows raising canola. Authorizes ODA to assess civil penalty up to \$25,000 for violation. Applies to raising canola planted on or after effective date. Sunsets prohibition on growing canola in Willamette Valley on January 2, 2018. Directs College of Agricultural Sciences of Oregon State University to conduct peer-reviewed study and report results to interim committee of Legislative Assembly by November 1, 2016. Identifies study components. Terminates growing prohibition 31 days after 77th Legislature adjourns if research not funded. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Costs and benefits to canola growers and specialty seed growers if canola is grown in Willamette Valley
- Alternative rotational crops to canola for grass and wheat growers
- Status of ODA rule, impetus for change and how ODA will implement rule
- Canola currently grown in valley with research permits
- Potential for canola seed volunteers, seed build-up, pests and diseases

EFFECT OF COMMITTEE AMENDMENT: Replaces measure.

BACKGROUND: Canola is an oilseed crop from plants in the mustard family (*Brassicaceae*). Common types of brassica used for food include cabbage, cauliflower, broccoli, Brussel sprouts, and radish. The term "canola" is widely used to refer to rapeseed; canola is a variety of rapeseed bred for human and livestock consumption as well as biodiesel production.

In early 2013, ODA adopted an administrative rule to allow some canola production while also establishing a rapeseed exclusion zone. Most of the Willamette Valley remains a protected district with two zones. A majority of the specialty seed production remains in a rapeseed exclusion zone of nearly 2 million acres where canola production is not allowed. A second zone of about 1.7 million acres allows the growing of canola but production is limited to a maximum annual total of 2,500 acres with a minimum field size of 25 acres. Producers intending to grow canola are required to apply for a contract with ODA that contains specific requirements for managing canola. ODA will award contracts for canola planting by September 1 of each year for requests received before July 15. Under this timeline, canola planting will take place no earlier than fall of 2013.

House Bill 2427 A directs the College of Agricultural Sciences of Oregon State University to conduct a peer-reviewed study on canola and report results to an interim committee of the Legislative Assembly by November 1, 2016. The measure also prohibits the growing of canola in the Willamette Valley except to extent necessary to conduct study until 2018 if the Legislature provides funding for the study.

4/22/2013 9:55:00 AM

This summary has not been adopted or officially endorsed by action of the committee.

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A-ENGROSSED HOUSE BILL 2427**

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2 delete page 2 and insert:

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5 **“(A) In which seeds having a high oil content are the primary eco-**
6 **nomically valuable product; and**

7 **“(B) That have a high erucic acid content suitable for industrial**
8 **uses or a low erucic acid content suitable for edible oils.**

9 **“(b) ‘Raising’ means personal or commercial growing for oil, seed,**
10 **forage, cover crop or other use.**

11 **“(c) ‘Willamette Valley Protected District’ means the area encom-**
12 **passed within a rectangle formed by the point in Tillamook County**
13 **that is the northwest corner of township 1 north, range 6 west, the**
14 **point in Multnomah County that is the most northeastern point of**
15 **township 1 north, range 2 east within Oregon, the point in Lane**
16 **County that is the southeast corner of township 19 south, range 2 east**
17 **and the point in Lane County that is the southwest corner of township**
18 **19 south, range 6 west.**

19 **“(2) The amount of canola planted per year within the Willamette**
20 **Valley Protected District may not exceed 500 acres. Any canola grown**
21 **within the protected district must be grown for the purpose of allowing**
22 **the College of Agricultural Sciences of Oregon State University to**

1 carry out the research duties of the college under section 4 of this 2013
2 Act. Any growing of canola within the protected district is subject to
3 prior approval by the State Department of Agriculture.

4 “(3) The department may assess a civil penalty, not to exceed
5 \$25,000, against a person that raises canola in violation of subsection
6 (2) of this section.

7 “SECTION 2. Section 1 of this 2013 Act applies to the growing of
8 canola planted on or after the effective date of this 2013 Act.

9 “SECTION 3. Section 1 of this 2013 Act is repealed on January 2,
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30 formation must include, but not be limited to, a comparison of the

1 compatibility of canola with the growing of other crops to the com-
2 patibility of other Brassica seed with the growing of other crops. The
3 assessment shall include, but not be limited to, a review of available
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4 preservation of the public peace, health and safety, an emergency is
5 declared to exist, and this 2013 Act takes effect on its passage.”.**

6
