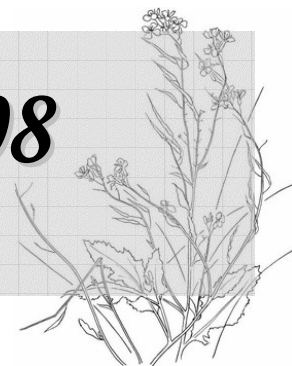


Montana Oilseeds Update 2008

Fall Edition



Welcome to the *Montana Oilseeds Update 2008 – Fall Edition*

The Update aims to provide the most current information on key aspects of oilseed rotations and production, oilseed crushing and uses of oil (such as biodiesel) and oilseed cake. This issue of the Montana Oilseeds Update focuses on some Montana market outlets for oilseeds. We'd sure like to hear your thoughts on this newsletter, like how useful you found it, or not. Drop us a line by e-mail at alk@ncat.org or hollyh@ncat.org or by mail at NCAT, PO Box 3838, Butte, MT 59702.

Thanks,
Al Kurki and Holly Hill
Oilseeds for Fuel, Feed and the Future Project
National Center for Appropriate Technology (NCAT)

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Manufacturing and Marketing Biodiesel Produced From Camelina

Great Plains – The Camelina Company is now starting its third year of contracting for camelina acres in Montana, Wyoming and Washington State. The Camelina Company's 2009 prices are \$10.50/bushel – 21 cents a pound if a bushel averages 50 pounds – for the first 200,000 pounds and 20 cents a pound thereafter.

Farmers delivering camelina pay the freight for the first 60 miles from the farm gate to the delivery point, with the Company picking up the balance of shipping cost beyond that radius. The Camelina Company has delivery points in Jordan, Ledger, Harlowton and Culbertson.

The Company provides its contract growers with a production manual that outlines just about everything one needs to know to raise, harvest and properly store a camelina crop. But Alan Brownell, a Valier-area farmer and Montana agricultural sales director for the Company, is ready to share his insights. "So far, alfalfa growers seem to have the best luck raising camelina on the first try," Brownell said in a recent interview. "If you're a successful alfalfa producer, camelina won't be a hard crop to raise."

Many others are learning how to effectively raise camelina from their own experience and that of others. "The best way to get good stand establishment is to drill it in with close row spacing. However, if your ground is rough and uneven, broadcast seeding and rolling are probably a little better," Brownell said.

Brownell recommended fall burn-down of weeds, or VERY early spring spraying before seeding. Camelina can be seeded in late fall into mid March, but crop yields drop if one plants much past mid March in a "typical" Montana growing season, which 2008 definitely was not.

The Camelina Company produces and sells oil that is currently made into biodiesel -- to this point that's over 10 million road miles of biodiesel. The Company is paying about 50% more for camelina in 2009 than it did in 2007, so adding camelina to extended crop rotation may be more attractive to still more growers this next season.

For more details on working with the Camelina Company, contact Alan Brownell at: PO Box 561, Valier, MT, toll-free: 877-922-6645, cell: 406-949-8488, e-mail: abrownell@CamelinaCompany.com

Sustainable Systems - Producing High-Quality, Healthy Vegetable Oils

Sustainable Systems owns and operates the Montola oilseed crush facility in Culbertson, Montana. They provide high oleic safflower and high oleic sunflower oils branded as Montola Safflower and Montola Sunflower. They sell in both bulk (truck, rail, totes) and in smaller glass bottles. They offer oilseed contracts to regional farmers growing safflower and sunflower and they expect to begin to offer markets for canola and camelina. The Montola facility is versatile in its ability to process a wide variety of oilseed crops.



Dr. Paul Miller is one of the principal founders of Sustainable Systems and established the initial development for the company beginning in June 2001. They are working to expand the crush capacity and he admits that it has been challenging. The rising cost of transportation of raw materials and finished products is one of the primary challenges that Miller and his company face.

Miller stressed that he appreciates producers and the hard work required and risk taken to produce their crops. Oilseed production is vital to the enterprise at Montola. "We hope to continue to have competitive contract prices for oilseeds that are profitable to farmers," he said.

To find out more about grower contracts, prices and growing specifications, contact the plant to get on their grower list or visit the Web site at www.montola.com to sign up for a grower information newsletter.

Montola
Highway 2 East, PO Box 478
Culbertson, MT 59218
Phone: 406-532-3268
Web: www.montola.com
www.sustainablesystemsllc.com

Leonard Stone is a Geraldine farmer who has grown camelina since 2004, rotating it with his wheat and barley crops. In his years of growing camelina, he has experimented with various seeding and harvesting methods and seeding rates. "Camelina is a very hearty plant. It competes well with weeds, especially if it's established early," Stone said.

Stone plans to seed his camelina in late October or the first part of November this year with an air seeder at a slightly higher seeding rate than he has in the past, 5 to 6 pounds per acre. He hasn't found it necessary to make many changes to his combine in harvesting, but will be using a new combine for harvesting next spring and will make necessary adjustments. Over his years of growing camelina, Stone has learned the importance of seeding camelina on a clean field in order for it to have a good chance of succeeding, at least until there is federal approval of pesticides and/or herbicides for camelina.

In early September, Stone joined several Montana Farmers Union members on a national fly-in to Washington, D.C. to reinforce the implementation of the Farm Bill and to discuss timely issues such as renewable energy, alternative fuels and agricultural carbon credits. The group also endorsed the federal approval of feeding camelina meal.

He estimates that his cost of production is somewhere between \$30 and \$35 per acre and that he could produce his fuel needs from planting 100 to 150 acres of his farm into camelina. Currently, however, he is not crushing his seed or processing it into biodiesel. He has contracts to sell his seed to Great Northern Growers, the Camelina Company and the Sustainable Systems plant in Culbertson, Montana.



Two BIG Bioenergy Events in Billings This January

If you want to learn more about raising bioenergy crops, crushing oilseeds, making biodiesel or using wind or solar systems, then plan on being in Billings January 25-29, 2009. Two back-to-back events will offer all the information you'd ever want and the experts you will surely want to talk with.

An Advanced Biodiesel and Oilseed workshop will be held at the Billings College of Technology on January 28 and 29. A great mix of farmers, businesspeople and scientists will present the most current information on more complex oilseed crushing and vegetable oil-based biofuel production issues. See the agenda on the right for more session details.

The workshop pre-registration fee is \$40, \$50 at the door. However, keep in mind that people had to be turned away from the less advanced version of this same workshop last January, so plan on registering early. If you are reading a print version of this newsletter, you can count on getting a special mailing about this workshop in October. If you want more information right now, call Holly or Tammy at 406-494-4572.

Advanced Oilseed and Biodiesel Production Workshop

Day 1 January 28, 2009 - MSU-Billings College of Technology

7:30 am	Sign In and Registration
8:15 am	Welcome and Introductions US Senate or House Welcome
8:25 am	Introduction to Montana Biodiesel and Oilseeds, Use, Consumption and Goals
8:45 am	Oilseed and Oil Buyers Panel: What they produce (oil, fuel, other products), what they buy, need, and expect, and what is their view of the future
10:15 am	Co Products, animal feeds, bio-lubes: Status on development and regulations
11:15 am	Technical Advancements and Changes in Community/Commercial Biodiesel Production
12:30 pm	Box Lunch and Tours Plant Processing Technology Lab Portable Biodiesel Crushers and Processors, SVO-fueled generator
1:30 pm	What's new in Crushing Oilseeds, A Panel Joel Schumacher, MSU-Extension
3:00 pm	Trading time for equipment in Small Scale production
4:00 pm	Resolving thorny issues in vegetable oil fuel production: Methanol Recovery, Fuel Quality and Performance, ASTM changes, Straight Vegetable Oil: Panel:
5:00 pm	Closing comments and final questions for speakers, Preview of Day 2 sessions, Evaluation and adjourn

Day 2 January 29, 2009

7:30 am	Coffee and Registration
8:00 am	Welcome
8:05 am	Regulations, Permitting, Taxation and Incentives to Producing Biodiesel
9:00 am	Economics of Oilseed and Biodiesel Production Panel
10:30 am	Resources for Building a Bioproducts/Bioenergy Business – Educational, Technical, Financial
Noon	Wrap-up and thanks, Evaluations and adjourn

This Advanced Oilseed and Biodiesel workshop is preceded by the ninth annual Harvesting Clean Energy conference that will be held at the Crowne Plaza in Billings on January 25 to 27. Sessions will focus on the steps to successful project development, including financing, to cut costs on the farm and produce power or feedstocks for market. For more details and to register for this conference, go to www.harvestcleanenergy.org or call Pat Gibbon at 206-443.9570 x34.

Creating a Market for Locally Grown Oilseed Crops

Earl Fisher Biofuels in Chester, Montana might best be described as an evolving *bio-products* business. "We sell all the biodiesel we currently produce," said co-owner Brett Earl in a recent interview. The plant's current biodiesel output is between 400 and 500 gallons a day.

"In the longer haul, biodiesel will be the lowest value product we will process and market," Earl went on to say. By working in partnership with other businesses like Great Northern Growers Cooperative (GNG), Peaks and Prairies Bio-Lubricants, and Montola, Earl Fisher Biofuels will offer a range of products made from canola, camelina and other oilseeds raised in Montana. Culinary oils may be the highest value product, followed in rough order of value by bio-lubricants, animal feed, soil amendments and biodiesel. To see the range of Earl Fisher Biofuel's current product offerings, go to www.earlfisherbiofuels.com.



What does this mean for Montana farmers? "By being able to offer a range of products for certain niche and large markets, we in turn plan to serve oilseed growers who have differing goals," said Earl. For example, growers seeking a higher price for a high-value oilseed will need to have different expectations than those who want to raise, harvest and sell their crop in a relatively short period of time. Earl went on to say that may mean being willing to hold at least part of a crop for 1 to 2 years and be ready to move the product quickly for a particular high-value market niche. Other criteria for a higher-value crop include good color, high oleic oil content for canola, high omega-3 content for camelina and a clean crop from clean fields.

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Chester, Montana 59522
Plant Phone: 406-759-5018
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Web: www.earlfisherbiofuels.com

The company is also exploring a toll-crushing arrangement that would allow an oilseed producer to retain ownership of his/her oilseed crop and get back part of the oil, meal or biodiesel that's produced. Earl Fisher Biofuels has already purchased all the GNG camelina inventory. Brett Earl said this will provide feedstock for the company until late this coming winter. "We'll want to be talking with farmers about their interest in growing camelina soon," said Earl. The best way to start that conversation is to contact the company directly.

Besides the companies profiled earlier in this newsletter, the following contacts may provide other market opportunities for oilseeds:

- **Peaks and Prairies**
PO Box 856
Malta, MT 59538
406-654-1872
admin@peaksandprairies.com
<http://peaksandprairies.com>
- **Flathead Biodiesel**
208 Birch Grove Rd.
Kalispell, MT 59901
912-633-3344
chris@flatheadbiodiesel.com
<http://flatheadbiodiesel.com>
- **Sustainable Oils**
636-527-5543
www.susoils.com

Upcoming Events

Saturday, October 25. *Food to Fuels Session* at the Montana Farmers Union Convention, Heritage Inn, Great Falls. Invited panelists include Dr. Alice Pilgeram of MSU, Kent Wasson of Peaks and Prairies Bio-Lubricants and a representative of the Great Northern Growers Coop. Sessions run twice between 1:30 and 3:30p.m. For more information on the MFU convention, contact Sandy Courtnage. To register, contact Jan Johnson; MFU's phone number is 406-452-6406.

Saturday morning, November 1. *Living in a Post Carbon Era* Richard Heinberg, author of *Peak Oil*, speaks at the Alternative Energy Resources Organization annual meeting in near Lakeside, Montana. Contact AERO at 406-443-7272 or go to www.aeromt.org for more details and to register.

Resources

biodieselSMARTER

For biodiesel brewers by biodiesel brewers

"A print magazine for people who want to produce SMARTER biodiesel.

This print magazine is a joy to hold & behold.

Inside:

Case studies of brewers around the country!

Tales of biodiesel triumph and despair

DIY pieces about recent innovation

True stories of homebrew adventure

Interviews with bio-celebrities and heroes

Secret tips for Safety, Quality & Sustainability"

When you go to the Biodiesel Smarter web site, this is just about all you see there. But having looked closely at three quarterly issues of the 40 page print magazine, I have to agree with the bold "joy" claim at the Web site.

biodieselSMARTER has a very simple layout but is chock-full of color pictures and well-written cautionary tales, case studies, how-to tips and opinion pieces. The magazine deals with the tough issues of methanol recovery, glycerine disposal and generally bad stuff that can happen brewing biodiesel. Frankie Abrialind and contributing writers don't shy away from public policy issues, but they don't bore or lose the reader either when sharing opinions.

Their eyes-wide-open approach to very serious biodiesel production topics is made all the more effective by their clever, punchy and, at times, irreverent style. At a \$10 per year subscription price, biodieselSMARTER is a steal for anybody interested in small to midscale biodiesel production.

So I recommend subscribing before Mr. Abrialind gets tired of pouring his heart and soul into this project and gets out of the editing/publishing business. If the subscription rate doubles, it's still a deal. But get it while it's still 10 bucks by ordering off the Web site or by writing:

biodieselSMARTER

P.O.Box 84

Brookeville, MD, 20833

Review by Al Kurki

Camelina Feeding Update

Like many other farmers and businesspeople in Montana, Earl Fisher Biofuels and the Camelina Company anxiously await the Food and Drug Administration's (FDA) final statement on camelina as a poultry ration, and possibly beef and hog feed as well. That ruling is projected to be released by January 2009. The ruling will not include feeding limits for dairy cattle.

Once the FDA issues its ruling, the Association of American Feed Control Officials (AAFCO) will then set standards for camelina as a feed including characteristics such as protein levels and the like. AAFCO's definition is projected to be out in mid-2009. FDA and AAFCO's action means poultry, hog and beef cattle producers will know soon what the recommended limits on camelina feeding are.

FDA had denied a petition from one at least one Montana company to have camelina meal be Generally Recognized as Safe (GRAS). The FDA did allow individual companies to get approval for feeding camelina meal to beef cattle and hogs at a 2% ration.

To an interested outsider, the process of getting various approvals for camelina meal seems to have moved in fits and starts. But Cort Jensen, Chief Attorney with the Montana Department of Agriculture, sees things differently. "FDA saw the benefits of camelina being accessible to many businesses, farmer and rural communities. So they are moving through this review process more quickly than if this were a fairly narrow, patented product that only serves the interest of one producing company, said Jensen in a recent interview.

Go to <http://agr.mt.gov/camelina/default.asp> for forms, updates and more complete information on making camelina a product that can be widely and legally used in the state.

Biodiesel Cash Flow/Income Statement Worksheet: This worksheet, developed by the Agricultural Marketing Policy Center at Montana State University, allows users to compare small-scale oilseed processing and biodiesel production options based on their specific situation. This worksheet may be downloaded for your personal use at www.ampc.montana.edu/energyinformation.html.



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