

Mr. Chairman, members of the committee, for the record my name is Katie Kassmier and I am here on behalf of Montana Farmers Union.

As most of you know, Montana Farmers Union is a grassroots organization representing family farmers and ranchers and rural communities. Our members are involved in the full spectrum of production agriculture, from traditional, conventional small grain and livestock production to organic and specialized crops. As a non-commodity specific group, our members have a vested interest in all areas of agricultural and rural economic development policy.

As you are probably also aware, our agricultural producers face many challenges. In fact, it is fair to assert that they are struggling to remain viable in the midst of staggering input costs—particularly fuel costs—and low market prices. Consequently, the communities in which they live and work, are shrinking.

Now, I know the plight of your rural constituents is a perennial issue. This session is no exception as you are confronted with a myriad of economic development proposals, all of which promise to mitigate our producers' concerns, and solve any and all of the state's economic strife.

This bill does in fact address specific, key components of economic development in Montana: **income for individual agricultural producers and opportunity for our rural communities.**

According to the National Biodiesel Board, as of January 1 of this year, there are no biodiesel production facilities in the state nor are there any under construction. There are, however, 105 established plants and 85 plants under construction nationwide, including in neighboring states.

By establishing requirements for biodiesel, you can create a natural incentive for increased biodiesel production in the state. This will help producers by offering another market for current crops and better possibilities for new crops.

Improving the profitability of production agriculture invariably supports rural communities.

Indeed, this issue is so important to producers and rural communities that in a matter of a couple hours our members responded overwhelmingly in favor of HB309. I will offer some of their comments now.

Leonard Stone, a farmer in Geraldine offers his support saying, "This is a very important step to ensure that those of us who want to grow an oilseed crop in

Montana will know that what we produce will be used in-state. To know our oilseed production would not be subject to freight to the west coast would enhance profitability and benefit Montana in many ways. If we do not do this for ourselves, someone else will do it for us."

Deanna Styren of Choteau said, "The mandatory use of biodiesel would be a boom to agriculture in the way of oil seed production. Please support HB309."

As a final example, Doug Henke of Chester emphasizes that "biodiesel in the state would be great for everyone in Montana."

I have submitted further comments for your consideration.

On behalf on our members, please support HB309 and help our state's producers and rural communities.

Thank you, Mr. Chairman.

February 2, 2007

Statement in favor of HB 309 by:

Montana Farm to Fuel Co-op, Dan Downs, Molt, President

Members of the co-op feel that passage of this bill would provide stability in the biodiesel market that would allow capitalization by local producers. A fledgling co-op such as this could be assured of a market, which is important given the ups and downs of the current oil market. It's definitely difficult for business people to succeed in the production and sale of bio-products without being assured of a market.

NOTE to committee members: members of the co-op will be in Helena on Monday & Tuesday, February 12-13, and will make themselves available to answer any questions that the committee might have that would forward this legislation.

Additionally, they are more than willing to make themselves available at the committee's convenience. If you wish to speak with any members of the co-op, please contact Dan Downs at one of the following numbers.

(406) 208-7233 cellular
(406) 860-3107 cellular
(406) 252-8012 business

February 2, 2007
Statement in favor of HB 309 by:
Montana BioFuels Resources, LLC, Billings

We believe the passage of this legislation will allow for the completion of a biodiesel refinery project that has been three years in the planning. This legislation will help provide a dependable market that will ensure a strong and continuous supply of biodiesel for the benefit of the state of Montana.

NOTE to committee members: investors in the LLC will be in Helena on Monday & Tuesday, February 12-13, and will make themselves available to answer any questions that the committee might have that would forward this legislation.

**Montana Farmers Union
Member Comments
HB309
House Transportation Committee**

I, Leonard Stone, a farmer from Geraldine, Mt. offer my support for this bill. This is a very important step to insure that those of us who want to grow an oilseed crop in Montana will know that what we produce will be used in state. To know our oilseed production would not be subject to freight to the west coast would enhance profitability and benefit Montana in many ways such as jobs and increased income.

As a producer, I want to know that there will be a long-term in-state market for what I raise. I do not want to see this resource that can be produced in Montana benefit other states first. If we do not do this for ourselves, someone else will do it for us.

Thank you.

The mandatory use of biodiesel would be a boom to agriculture and oil seed production. Please support HB309.

Deanna Styren
961 20th RD NW
Choteau, Mt. 59422

Dear Members of Montana House of Representatives Transportation Committee:

I would like you to support HB 309 (biodiesel). I feel that it would boost the ag economy in Montana. By growing some of our own fuel in state it would make us less dependent on others.

Thank you for your time.
Larry Hendrickson
Commissioner Liberty County

Yes, FOR Biodiesel!!

Biodiesel required for diesel in the state of Montana would be great for everyone in Montana.
THANKS FOR YOUR SUPPORT!!

Doug Henke
4455 South Tiber Road
Chester, Montana

A point to the committee,

When you travel back east there is a toll to pay on most highways. It should be a toll to pay in MT that you will have Biodiesel in your truck, car, or train to pass through MT. Yes we are in favor of having more Biodiesel in Montana and The Sooner The Better. With the rail system in this state we should be able to move the product both directions.

Dayl B. Sather

I am strongly in favor of a bill that would require biodiesel to be used as a percentage of all diesel sold in Montana.

One reason I favor the bill is that I see it as a catalyst for the biodiesel industry. As a farmer, I am increasingly concerned at the limited markets available for my products. I recently attended a workshop hosted by the Conservation District where the oilseed variety of trials at MSU-Northern were presented, and there initial trials are very promising. With an expanded market for oilseeds and the potential for a viable new crop to rotate between spring and winter wheat cycles, I think there is a strong grower market to supply a biodiesel industry in Montana.

Another reason I favor the bill is from an environmental standpoint. As a society, I think we need to seriously pursue opportunities to curb our dependence on fossil fuels, and I believe that biodiesel may be a key component in that effort.

I realize that in the short term the bill will likely increase the price I pay for diesel as suppliers seek a new product with a limited support structure, and I am willing to pay that increased price. I feel the potential benefits to a budding industry and future resource independence by the US is worth the premium I may pay at the pump for the next few years.

I urge the House Transportation Committee to consider this bill.

Thank You for Your Time

*Wade Bitz
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