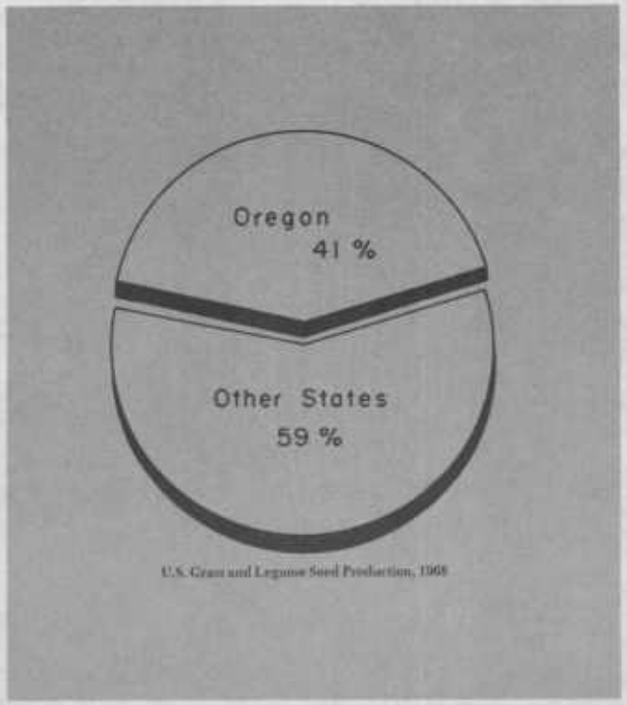
Background on Oregon's Grass and Legume Seed Industry

COOPERATIVE EXTENSION SERVICE
OREGON STATE UNIVERSITY, CORVALLIS

Grass and legume seeds (commonly known as the "seed industry") are important to the economy of Oregon and especially to the many people whose incomes are affected by the seed industry. Producing 41 percent of the nation's grass and legume seeds, Oregon growers have consistently rung up $29-$31 million in sales in recent years. Dollars from these initial seed sales circulate through Oregon's economy with a multiplying effect as farmers buy fertilizer, tractors, groceries, automobiles, toothpaste, and shoes for their children to wear to schools financed in large part by farm tax dollars.

The bulk of Oregon's seed production comes from grass seeds produced in the Willamette Valley. The superior quality of Oregon-grown seeds has made them famous throughout the world.



U.S. Grass and Legume Seed Production, 1968

This circular was prepared by Willis E. Middlemiss and Robert O. Coppedge, Assistant in Agricultural Economics and Extension Agricultural Economist, respectively, Oregon State University.

For more details on the industry see Willis E. Middlemiss and Robert O. Coppedge, "Oregon's Grass and Legume Seed Industry in Economic Perspective."

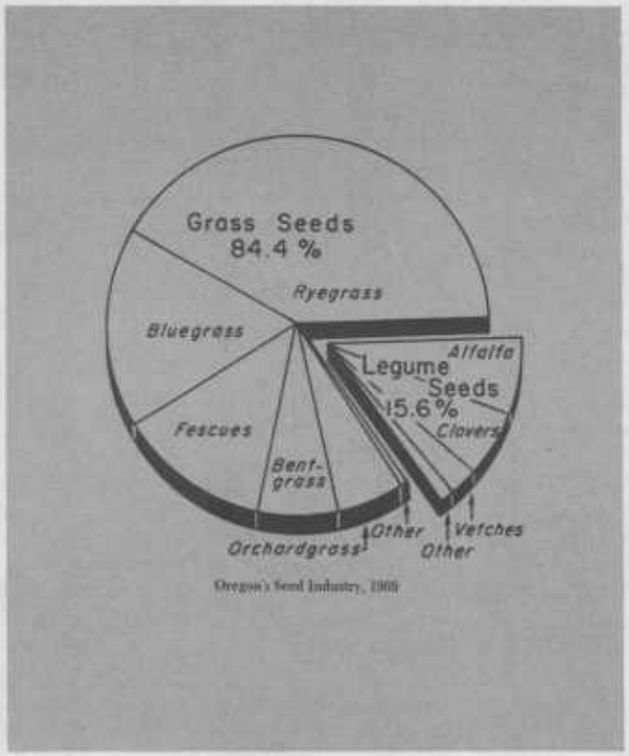
OREGON SEEDS DOMINATE NATIONAL PRODUCTION

Oregon has 308,000 acres in seed production—83 percent of which is in grass seed. Over four-fifths of these acres produce seeds for which Oregon's growers are the nation's leading producers.

SEED ACREAGE IN OREGON, 1968

Seed	*Acres*	*Dollars*
Annual Ryegrass*	87,000	8,463
Perennial Ryegrass*	47,000	4,382
Kentucky Bluegrass*	31,500	5,171
Fine Fescues*	31,000	2,621
Bentgrass*	28,000	2,248
Crimson Clover*	14,500	1,175
Alfalfa	13,500	2,026
Orchardgrass	8,590	1,925
Hairy Vetch*	8,000	403
Other Grasses and Legumes	38,910	2,561
Total	308,000	30,975

* *Oregon is the leading producer.*

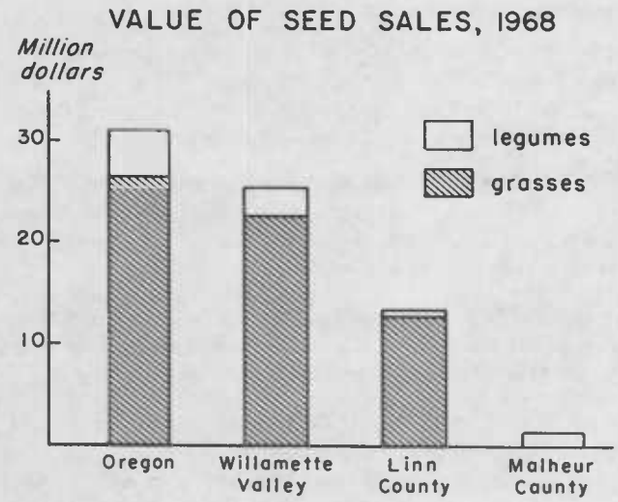


Oregon's Seed Industry, 1969

WILLAMETTE VALLEY GROWERS SELL MOST SEEDS

Some facts about the $29-$31 million realized annually from sales of Oregon-grown grasses and legumes to other states and foreign countries are presented below.

- Nearly 85 percent of these sales come from grass seed.
- 81 percent of seed sales come from Willamette Valley production, where climatic conditions favor concentration of commercial seed production.
- 43 percent of all seed sales come from Linn County.



GRASS SEEDS ARE WORLD FAMOUS

More than 250,000 acres in Oregon are devoted to *grass seed* production. Sales from these acres exceeds $26 million, more than 84 percent of *total seed* sales. The remaining $5 million is derived from legume seed production.

An abundance of winter and spring moisture combined with dry summers provides ideal conditions for grass seed production in the Willamette Valley. Comparable yields and quality of seed are rare in other parts of the world. Oregon is famous over the world for its grass seeds, bringing foreign dollars to our country and state.

RYEGRASS—Oregon's Willamette Valley produces virtually 100 percent of all ryegrass seed grown in the United States. This seventh-ranked agricultural crop is well

adapted to poorly drained soils on which alternative uses are very limited. Sales of ryegrass seed amount to nearly $13 million each year—about one-half the value of Oregon's total grass seed sales. Some three-fourths of the nation's ryegrass seed is grown in Linn County.

Annual ryegrass seed, two-thirds of all ryegrass seed, is used to a great extent in the South for winter overseeding of lawns, pastures, and rice and cotton fields.

Perennial ryegrass seed is used in central and eastern states for pasture and turf seeding.

BENTGRASS—Oregon produces nearly all of the bentgrass seed grown in the United States. Predominantly a Willamette Valley crop, bentgrass seed is exported in large quantities to Europe and also to the central and northern United States for use in turf mixtures. This grass is widely used on golf courses throughout the world.

CHEWINGS FESCUE—Nearly all of the nation's chewings fescue seed is grown in Oregon's Willamette Valley. Like bentgrass, it is exported to Europe and used there—as well as in the United States—in turf mixtures.

RED FESCUE—Oregon has been producing over 95 percent of the red fescue seed grown in the United States. Used much as bentgrass and chewings fescue, red fescue is exported in somewhat smaller quantities.

TALL FESCUE—The Willamette Valley produces 10-20 percent of the nation's tall fescue, a pasture grass popular in the general area of Tennessee and Kentucky.

KENTUCKY BLUEGRASS—Over 85 percent of the nation's bluegrass seed is produced in the Northwest—most of it in Oregon. Widely used as a turf grass in the cooler climates, bluegrass is also exported, though in relatively smaller quantities than bentgrass and chewings fescue. Many of the lawns in our cities and rural communities are predominantly bluegrass.

ORCHARDGRASS—This grass is used in the northern states for pastures and grass hay. Oregon has recently become the nation's leading producer of orchardgrass seed with more strains than any other state.

THE ECONOMIC SIGNIFICANCE OF OREGON'S SEED INDUSTRY

Seed sales provided Oregon farmers with $31 million in 1968. As this $31 million moves through the economy, in successive rounds of spending, additional income is generated and the impact of the "seed dollar" is magnified.

The magnitude of the total economic impact is directly determined by three forces, or leakages, which reduce final impact by removing dollars from the state's economy. The forces are: 1) savings by individuals, 2) out-of-state purchases by individuals, and 3) out-of-state purchases by businesses. The economic impact of the successive rounds of spending, including the 31 million dollar sales value of *all seeds*, is estimated at approximately 43.5 million dollars—about 1.4 times the original seed industry income. Applying the same multiplier to the $26 million *grass seed* industry represents an economic impact of $36.4 million to the economy of the state.

PROPERTY TAXES

Real property taxes accruing to *all seed* crop land totaled approximately 1.6 million dollars in 1968. More than 1.3 million of these tax dollars can be attributed to *grass seed* land. Other tax dollars derived from seed growers have not been estimated, but are a significant contribution to the tax base of Oregon.

PROCESSING ADDS VALUE

Cleaning, sacking, and handling added about 12 percent, or 3.7 million dollars, to the value of the 1968 crop. Blending and small packaging of grass seeds has been increasing within Oregon in recent years.

EFFICIENT METHODS USED

Because of continually increasing costs of production, Oregon's seed producers must employ the most modern cultural methods along with sound management practices in order to make reasonable profits. Yields and seed quality must be high in order to make seed production profitable enough for the industry to continue its important economic contribution to the state.

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