

## Farmers see soy oil boom

### Manufacturers woo soybean producers to grow crops that can be used in healthful foods with trans-free oil.

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With spring planting three months away, companies are trying to persuade farmers to raise more specialty soybeans, as demand builds among U.S. food manufacturers and consumers for heart-healthy food.

Crop seed suppliers and farmer-owned ventures are seeking growers to plant soybean varieties that yield oil low in linolenic acid. Consumers can benefit from that type of oil, because it does not contain trans fatty acid, which can contribute to heart disease, the No. 1 killer in the United States.

Monsanto Co. of St. Louis, Mo., expects farmers in the Midwest to plant 500,000 acres of the company's Vistive soybean seed in 2006. Pioneer Hi-Bred International Inc. of Des Moines is seeking growers to plant 200,000 acres of its own "low-lin" soybeans. Both companies' varieties contain about 3 percent linolenic acid, and each is offering to pay premiums of up to 40 cents per bushel.

Also competing for farmers is the Iowa Quality Agriculture Guild, a southeastern Iowa group that is marketing low-lin soy oil to food manufacturers, distributors and retailers. The guild hopes to lock in at least 60,000 acres within 100 miles of Cedar Rapids, where the beans are processed. That's more than double the 25,000 acres of low-lin soybeans that guild members and other farmers raised in 2005.

To woo growers, the group has increased its premium to 80 cents per bushel of the low-lin varieties developed by Iowa State University. That's up from 55 cents in 2005. In addition, farmers who raise soybeans for the guild are eligible to participate in a profit-sharing program.

"It's by far one of the best programs, if not the best program, available," said Vivan Jennings, executive director of the guild. "We really need to increase acres. We would like to have 60,000 acres or more."

The burgeoning low-lin, or "trans-free," soy oil business received a boost on Jan. 1, when a federal law went into effect requiring disclosure of trans-fat content on nutrition labels of food products and dietary supplements sold in the United States.

The new requirement stems from research showing that trans fat can be harmful to human health. It can be found in some foods, such as meat and dairy products. But trans fat also is found in processed food containing soy oil that has undergone partial hydrogenation — a chemical process intended to make the oil more stable, prolonging its shelf life. The problem: Hydrogenation creates trans fatty acid in the oil.

Some food manufacturers have turned to alternatives, such as palm oil, but others are tapping low-lin soy oil.

In December, Kellogg Co. announced that it would begin using trans-free soy oil derived from Monsanto's Vistive soybeans this year. In addition, the food company announced that it also planned to use Nutrium, oil derived from Pioneer's low-lin soybean varieties.

Five years ago, the Iowa Quality Agriculture Guild was formed by farmers seeking ways to generate more income from their crops. Jennings, a former Iowa State professor and administrator and a former official with the U.S. Department of Agriculture in Washington, D.C., had retired to his family's farm near Columbus Junction. He joined the farmers in their exploration of alternative markets for their crops, and helped them establish Asoyia, knowing that food companies needed more healthful oil products.

So far, Asoyia is one of the few "trans-free" soy oils on the market derived from soybeans containing just 1 percent linolenic acid. Because of that, Jennings' group is marketing Asoyia as an ultra low-lin soy oil.

"Our oil tests have gone much better than we ever expected," Jennings said. "The main issue, if there is one, is whether or not we can get enough growers to grow the soybeans we need."

The company is teaming with River Valley Cooperative in Wilton, whose agronomists are helping to recruit growers. Asoyia also has tapped WHO Radio and local newspapers to advertise its venture.



GARY FANDEL/REGISTER PHOTOS

**Supply and demand:** There is great demand from food producers for soy oil, like Asoyia ultra low linolenic oil stored at the PDM Distribution warehouse at 2702 Sixth Ave. in Des Moines.

#### Lowdown on low-lin

More information about low-lin soybeans is available at:

[www.qualisoy.com](http://www.qualisoy.com)

[www.soybean.org](http://www.soybean.org)

[www.notrans.iastate.edu](http://www.notrans.iastate.edu)

Already, food processors and other buyers have purchased all of the oil that Asoyia expects to produce this year from its 2005 low-lin soybean crop. Three food distributors are selling about 100,000 pounds of the oil per month to restaurants, hospitals and colleges across Iowa.

But most of the oil will go to food processors, said Rich Lineback , vice president of sales and marketing at Asoyia. Weekly, the company ships 48,000 pounds of its low-lin oil to two of the nation's largest mayonnaise manufacturers. Now, the company is negotiating deals with two national distributors. For Asoyia, as well as other companies competing in the trans-free oil business, the single-biggest market is food manufacturing.

"It's an absolutely huge market," Lineback said. "We could sell as much of this oil as we could make right now."  
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