

# Oregon farm supplier expands fertilizer capacity

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Capital Press

Published on September 2, 2016 10:28AM



Mateusz Perkowski/Capital Press From left, Tom Wimmer, chief operating officer of Marion Ag Service; Jeff Freeman, marketing director; John Hockett, vice president of sales; and Pat Hockett, vice president of operations, stand before the company's new fertilizer facility. The plant will increase the company's storage capacity seven-fold when it opens in December.

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ST. PAUL, Ore. — Though it's certainly no metropolis, downtown St. Paul, Ore., isn't always a convenient place to operate a fertilizer storage and blending facility.

Occasionally, the Marion Ag Service operation receives several night deliveries of fertilizer, waking nearby residents with trucks backing up and other loud noises.

"It would turn into a little mini-truck stop," said John Hockett, the company's vice president of sales.

The citizens of St. Paul will soon be able to sleep easy.

Marion Ag Service is building a massive 150,000-square-foot fertilizer facility on a rural highway more than five miles west of town. It is scheduled to open in December.

The facility marks a major expansion for the 40-year-old business.

Currently, the company stores 1,000 tons of fertilizer in St. Paul and 3,000 tons at its plant north of Salem, Ore.

The new operation will be able to store 29,000 tons, more than seven times its current total capacity.

With Interstate 5 nearby and a rail line passing right next to the facility, Marion Ag's new plant will become a fertilizer hub for its operations as well as other farm suppliers in the region.

"When the season hits, the Willamette Valley doesn't have enough storage. This will help take the pressure off the distribution system," said Tom Wimmer, its chief operating officer.

Severe fertilizer price volatility in recent years has often discouraged farm suppliers from building up inventories — they're afraid of being stuck with large stocks of expensive product when prices fall.

On the other hand, getting fertilizer delivered just in time to meet farmer demand is challenging, since they're competing for railcars and trucks, Hockett said.

"If there's that interruption in supply, then you're not selling fertilizer," he said.

Since the new facility will provide warehousing services for other fertilizer companies, including J.R. Simplot, Potash Corp. and International Raw Materials, Marion Ag Service won't actually have to buy all the fertilizer needed to fill the plant's capacity.

Marion Ag Service's leaders aren't disclosing the amount of money invested in the new facility, but they acknowledge the firm is making a multimillion-dollar bet on the health of the Willamette Valley's farming industry.

The company expects that as the costs of running a farm continue to increase, local growers will switch to more crops that generate higher returns, said Jeff Freeman, its director of marketing.

Hazelnut orchards and vineyards are expanding, while blueberry production has already seen substantial growth in the area, he said. "It continues to migrate to higher-value cropping systems."

In addition to increasing capacity, the new facility marks a leap forward in technology.

Instead of employees mixing batches of different fertilizers, the exact ratios will be determined and blended using an automated system.

The facility will be able to blend 50 tons of fertilizer in 9 minutes, compared to 6 tons in 15 minutes currently.

"It's all computer-generated," said Pat Hockett, the company's vice president of production.

Despite the increased mechanization, Marion Ag Service doesn't expect to reduce its workforce. In fact, the firm plans to grow from 90 to 110 employees.

"One thing we are proud of is we're creating a lot of jobs here," said Wimmer.