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Mechanic Rollie Chisum of Rogue River works on a diesel engine at Cross Creek Trucking, which is going to biodiesel fuel. *Mail Tribune / Bob Pennell*

Rising fuel prices have convinced Cross Creek Trucking of Central Point to switch over to ...Biodiesel

By GREG STILES

Mail Tribune

Everyone in the trucking industry is talking — make that complaining — about rising diesel costs. Cross Creek Trucking owner Mike DeSimone says he's doing something about it. It's not a knee-jerk reaction or a protest move. In fact DeSimone has been warming to the notion for quite a while.

The trucking executive has pondered switching his fleet of 100 refrigerated trucks to biodiesel fuel over the past three or four years. Now, instead of easing into the biodiesel stream, Cross Creek of Central Point is on the verge of diving head first, pushed by market forces.

The company's first tanker of biodiesel blend, known as B20 because it is 20 percent organic and 80 percent diesel, is due for delivery on Monday.

"It's the one doggone thing we can do to put some control into our own destiny," DeSimone says. "You feel like a sheep going to slaughter, watching CNBC and seeing crude oil go up every day. At least this is one direction we can go on our own. It's a no-man's land, but we're at least taking responsibility for our own destiny."

Cross Creek's source for SeQuential Biofuels, which has offices in Eugene and Portland, began importing biodiesel from the Midwest for regional consumption in August of 2002. In the past year, it has opened a production plant in Salem and expects to make a million gallons of biodiesel in its first year.

"It's a drop in the bucket compared to the 2 million gallons of diesel used per day on the road," says SeQuential's Tyson Kever.

Seattle Biodiesel churns out a comparable amount of biofuel, but the preponderance of the 80 million gallons produced annually nationwide is in the Midwest where there are two plants capable of producing 30 million gallons annually.

"We are ramping up, but we are only able to ramp up as fast as we get feed stock — oil seed and recycled vegetable oil," Kever says. "That's probably our biggest limitation."

Cross Creek is using a B20 blend. A pure B100 blend gels at 40 degrees and could do damage to the trucks.

The biofuel will pass through two hands — Tyree Oil of Eugene and Hays Oil of Medford — before going to Cross Creek's Blackwell Road yard.

Hays Oil's Central Point dispatcher Tom Wilson says his company will pick up 2,000 gallons of B100 — 100 percent — then drive over to its diesel supplier's rack and dump in another 8,000 gallons in its tanker.

"By the time it gets down to Medford, its mixed in pretty well," Wilson says. "Then when its gets pumped into their tanks, it finishes the job."

He says tax breaks bring the cost of the hybrid fuel close to or perhaps less than what Cross Creek would've paid for 10,000 gallons of straight diesel.

Cross Creek uses 40,000 to 60,000 gallons of fuel per week and DeSimone admits he was apprehensive about maintaining a fuel supply, but Kever says his company will be able to handle the trucking company's needs.

DeSimone says his concern wasn't simply about having fuel to run his trucks, but the environmental component. Organically Grown Co. of Eugene is Cross Creek's second-largest client behind Harry & David Holdings.

"If Organically Grown puts on its customer correspondence 'all of our products are hauled by biodiesel transportation' and we don't have the biodiesel, then it becomes false advertising," he said. "They're very committed to sustainability and we're doing everything we can to be more accountable to community, state and world in how we conduct ourselves with the money our business is blessed with."

With fuel costs doubling to about \$108,000 weekly, he felt compelled to make changes. Not only can his company begin to control long-term costs, it can also contribute to the region's agricultural health.

"You can be like the little bird with its mouth open and waiting for mom to bring a worm in mouth, then we're done (as presently is the case with fossil fuel)," DeSimone says.

"But if a farmer can grow something that you can extract oil from, I can take it and put it in a truck and go down the road. He can do it again and again, he'll buy a tractor and hire a man to help him."

Mark Gibson, vice president of Siskiyou Transportation and a board member of the Oregon Trucking Associations, says soaring diesel prices are attracting attention to biodiesel in the industry. But Cross Creek's aggressive adoption stands out.

He notes diesel has topped \$3 a gallon in parts of California.

"From our perspective, I've just started getting interested in it. I haven't looked at many of the pros and cons," Gibson says. "But I do plan to look at the costs, benefits. People are going to look at it and if there are any savings at all, that's going to be one driving factor."

DeSimone thinks the trucking industry got into its present trouble because few haulers were looking down the road.

"I think it's complacency," he says. "Everybody has been busy doing their thing. It wasn't long ago we were paying 70 cents a gallon; it wasn't even our biggest cost factor. Now fuel is twice as much as labor. It's too bad, when Willie Nelson was having all those concerts for farmers they weren't planting seed oil crops."

Nelson, incidentally, is now a big promoter of biodiesel and even has his own "BioWillie" blend.

DeSimone sees his company growing more intertwined with its agriculture customers in the future as they provide more of his fuel.

"If our trucks can take agricultural products and run on fuel they've grown to haul other agricultural products, then I think we've accomplished something," DeSimone says. "We've been a niche company and we'll stay in a niche market because no trucking company does what we do. We're taking a direct right turn and heading off into the future, while the other fellows are beating their heads."

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Biodiesel may reduce dependence on foreign oil, cut greenhouse emissions

PHOENIX — At first blush, three bucks a gallon for auto or truck fuel isn't all that enticing. But there are plenty of reasons to for drivers to consider filling up with the B99 (99 percent biodiesel) at Phoenix Organics, 4543 S. Pacific Highway.

For starters, the three bucks won't be headed to Saudi Arabia, Venezuela or the oil companies.

From Abraham Harris' perspective, it's a big step in the right direction.

"Our dependence on foreign oil needs to stop," Harris says. "This is American-made and locally produced. It should ultimately be cheaper to produce than petroleum because it doesn't have to be shipped a great distance."

Not to mention fewer greenhouse emissions and greater fuel efficiency.

Harris, 24, runs the business along with David Tourzan, 31, and Steven Jaramillio, 31.

"Five years ago, people were asking 'What's biodiesel?' and only a few people knew about it or made it at home. Now we're to the point of 'where do I get it?' " Harris says. "We're trying to break the chain and bring people away from the fuel-yard industry."

Three years ago, the Phoenix farm and garden center pumped 15,000 gallons, and 21,000 last year.

The fuel stop is projected to dispense 75,000 gallons this year.

While the fuel is designed for diesel-burning vehicles built since 1993, there is a caveat for many older diesels.

"Cars like the (Volkswagen) Rabbit and Ford trucks had rubber fuel lines and the fatty acids in the biodiesel eats the rubber," Harris says. "Once the fuel lines are replaced, they're fine."

Hays Oil has a cardlock system for biodiesel B20 in Central Point and retail B99 at 1890 S. Pacific Highway in Medford.

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