

THE SEED MERCHANTS VIEWPOINT

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When the Agricultural Merchants Federation were asked to attend this symposium and give the Merchants viewpoint to marketing of New Zealand Agricultural cultivars, we made reference to the fact that discussions were being held with our trade on this very subject.

At this moment, the Federation Executive are still exploring various avenues and, although submissions have been made to the Department of Scientific and Industrial Research, some amendments may have to be made before this whole subject is finalised.

I would like to first of all explain briefly the Federations present role in the allocation and production of New Zealand bred crops both herbage and cereal.

In the instance of herbage cultivars merchants involvement begins at breeders level. Briefly, Grasslands arrange through the Ministry of Agriculture and Fisheries, the growing of nucleus seed. Merchants are requested to make application, through the officer in charge of seeds, M.A.F. for supplies of breeders seed. When applications are made the growers name and all cropping history is advised.

This system has proven satisfactory to merchants as they are given the opportunity of nominating growers who, in their opinion, have the ability to produce good crops of basic seed for further multiplication.

The procedure with cereal crops is somewhat different. Some years ago the Federation were invited to nominate members of the trade to join with Crop Research Division, Ministry of Agriculture and Fisheries and farmers to form what is now known as the C.R.D. Liaison Committee.

The reason this committee was set up was that previously M.A.F. had carried out the growing on of C.R.D. varieties, but under O.E.C.D. regulations it was not possible for a Government Agency to continue to do this.

The Committee comprises:
The Director of Crop Research Division, who is the Chairman;

Three members representing the trade;
Three members representing Crop Research;
One member representing M.A.F.;One member representing Farmers.

This Committee's responsibilities are:

1. To arrange for sufficient breeders seed in all cereal varieties to be sown to finally satisfy the trades requirements;
2. To judge the potential of each variety. As a variety is replaced by a superior cultivar the committee must scale down the area of breeders seed sown, and must make provision for its superior replacement;
3. The Committee selects merchants to grow breeders seed. Here again merchants must nominate and

give cropping history of their growers.

The resultant basic crops are distributed to the trade by the merchants Federation. Applications for basic seed are called for and are allocated from our Federation to the trade for further multiplication by the trade.

This system has, in the main, worked extremely well and has been a satisfactory method of ensuring a supply of seed to the trade and therefore to growers.

This brings me to the merchants involvement in marketing of New Zealand bred cultivars.

It would be fair to say that while our locally bred cultivars enjoyed a monopoly in New Zealand the systems which I have outlined would be sufficient to ensure that those cultivars were utilised throughout the country. However we now face a changing scene, particularly with cereal crops.

Overseas breeders are now offering, through New Zealand agents, species which are in competition with those bred in New Zealand, and, naturally enough, our New Zealand breeders want to ensure that their varieties are given adequate exposure to the New Zealand trade.

The Federation Executive were approached and asked to consider the introduction of a scheme whereby those cultivars which would qualify for plant selectors rights would carry a royalty which would be used to market these varieties.

In all our deliberations we have kept one basic view in mind. That is, we are convinced that the New Zealand Breeder would be best served by placing his varieties with merchants as the expertise gained over many years in the marketing field will be invaluable. In fact marketing expertise is the key to this whole venture.

I would like to comment on the proposals and alternatives which the Executive of the Federation have discussed to date regarding our involvement in marketing of New Zealand cultivars, with particular reference to cereal crops.

Five different suggestions have been put to us and I believe it would be pertinent to briefly acquaint you with these.

1. There are some members of our trade who subscribe to the view that the Dutch system could have a place in New Zealand. This system, briefly, is that the breeder trials a species to a certain stage then offers this species to a merchant who has both research and marketing facilities to firstly complete the trialing then market the cultivar. We understand that, in a very competitive field, this system works well in Holland.
2. There is a school of thought that consider the breeder should nominate a merchant as a sole agent to market each variety. This agent should have sufficient national coverage either directly or through sub-agents to give a variety adequate

exposure.

3. A proposal suggested was that the Merchants Federation becomes the sole agent of the New Zealand breeder. The Federation would be responsible for the distribution of the breeders varieties and would also be responsible for the marketing, at all grades, of each cultivar.
4. A further proposal which has been suggested is that a group of New Zealand companies with both research and marketing coverage be appointed the sole marketing agent for Government.
5. Lastly, there are some merchants who would prefer a wait and see policy. They believe that the procedure which has served this country well in the past could still suit our requirements. These Merchants do concede that some changes may be necessary in the marketing aspect.

In conclusion the work of our New Zealand breeders is acknowledged by all our members and I know that in the final analysis the outcome of our continuing discussions with our trade and with Government will be aimed at giving maximum exposure to our New Zealand bred cultivars to ensure that these varieties get that share of the market which their performance merits. There is no doubt in my mind that the concept of marketing will play an ever increasing part in the future of our New Zealand cultivars.