

# THE COMMERCIAL PLANT BREEDERS PERSPECTIVE

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## INTRODUCTION

In this paper the views I will be advancing are my own and those of my company, and they may not necessarily be representative of other private research organisations, or the Plant Breeders and Research Association.

The Economic and technological changes in agriculture during the last two decades have presented a new set of circumstances and a challenge for the agricultural servicing industry. In order to accommodate these changes and grasp the opportunities, new marketing services and activities have been introduced. Despite the progress which has been made, much remains to be done and I am referring now specifically to the marketing of agricultural seeds.

The word marketing was not long ago one of the popular "buzz words" used only by senior management, and at that time it had a very sophisticated connotation. However it is now widely accepted, and the awareness and importance of marketing is becoming much more wide spread. My understanding of marketing is that it is an exchange process and a vehicle for the management of change, and there is a considerable need for us to introduce new marketing skills into our seed industry.

## Marketing Seeds

To accomplish greater strength in our industry many outmoded concepts of seed supply must be discarded. The importance of adequate supplies to current farm operation demands that seed ceases being a commodity, open to market speculation by growers or handlers, who have little or no interest in the ultimate user. Instead the seed industry must assume the responsibility for performing a vital service to farmers by providing the amounts of a specific item that research and farming experience indicates to be most beneficial.

Seed production of a single variety must be limited to the recognised demand. Over-production and inadequate marketing has repeatedly destroyed markets, and on occasions the loss of valuable varieties when production incentives disappeared. For each new variety introduced the demand for an older item must decline or be dropped.

In the present situation where total seed use is static or maybe shrinking, it is necessary to integrate seed production efforts for a variety, with those of other varieties of a given crop. The interest of the seed producer must be in harmony with that of the consumer, and mutual benefits are only derived when both interests coincide.

Controlled and carefully planned production is but one element of adequate seed marketing, and must be supported by Agronomy staff, processing facilities

and sufficient organisational structure to co-ordinate these activities.

## The Need for Proprietary Cultivar Marketing

I am sure that you will all appreciate that the foregoing cannot be achieved without the introduction and benefit of proprietary cultivar marketing. Proprietary marketing is the appointment by the breeder of a principal licensee who is granted exclusive marketing rights. The principal licensee can of course appoint sub-licensees as appropriate, but the overall responsibility is retained by the breeder's principal appointed agent. Proprietary marketing is a logical extension of plant breeders' rights and it is my view that our progression towards this concept cannot move quickly enough.

The principles of this concept are simple and the very corner-stone of any plant breeding development. I am convinced the encouragement and recognition derived through commercialisation will be a significant factor in the advancement of our research and plant breeding efforts.

Production, promotion and planning are integral parts of proprietary marketing, but most important is the commercial incentive to market the variety with confidence. There has been some suggestion that proprietary marketing could be detrimental, as it has been said those cultivars receiving the most promotional attention will succeed. I don't believe there is any justification for concern, as the market will determine the success or demise of any particular variety. The mechanism by way of commercial risk is already in place to prevent the introduction of inferior cultivars. My belief is we should be more positive about the introduction of proprietary marketing and consider the tremendous advantages which this concept offers. This orderly system provides the necessary incentive and financial reward to encourage plant breeding and research, and it will strengthen and develop our seed industry. Often reference is made to the gap between Agricultural Science and the farmer, and proprietary marketing can contribute substantially to bridging this gap. Effective marketing of a cultivar goes well beyond simply extolling the virtues of a variety. It also extends into cultural practices and management. My view is that proprietary marketing is essential and represents an exciting agricultural development.

## Testing of New Crop Varieties

I want to make some reference to some of the obstacles which are currently impairing our progress. Our system of listing cultivars which is a prerequisite to commercialisation, is unduly restrictive and warrants modifications. At the present time it is

necessary to have a variety entered for official trials and these are conducted over a period of three years. I want to cite an example of why I think this is counter-productive.

Our company introduced the Barley variety Ark Royal 5 years ago, and we assessed the variety in the first year at our Research Centre in a screen in a trial. It produced encouraging results (as expected) and in the following year we expanded the evaluation to approximately five sites. Following collation of the results we were well satisfied that this variety had a place and contribution to make to New Zealand agriculture. It was then necessary to enter the variety into official trials for a further 2 years, and only this year it will be available to the New Zealand farmer. I must admit that the Crop Cultivar Committee approved the listing after 2 years and this is 1 year earlier than normal. However this was 2 years too late. We are of the opinion, and this has been discussed on numerous occasions with the Ministry of Agriculture, that a crop cultivar should be listed on receipt of adequate supportive data, both overseas and New Zealand, without the need for further trialling. We were very confident from our own assessment that Ark Royal had a place and the official trialling was an unnecessary exercise. I am referring specifically to crop cultivars as there are slightly different requirements for herbage varieties. However the same principle applies.

In the final analysis the acceptable cultivar lists now in operation is a consumer service, and while I accept that some independent assessment may be desirable, I don't believe these should be mandatory as this current system is clearly inhibiting progress.

In early August we distributed a press release concerning a barley cultivar which will be available for sowing this year and I believe it conveyed a clear picture of what could be expected of this variety. One major daily newspaper referred this to a Senior Government Agricultural Scientist and his reaction was most surprising and disappointing. Despite the fact that clear Government prepared evidence is available to support the claims being made, he chose to disregard this evidence and recommended to farmers that they should conduct their own trials before making a decision. This is quite incredible and can only be counter-productive. On the other hand we saw the DSIR enter into press advertising for their cultivars in early August, and they made a statement which is not supported by the evidence available, so it is difficult to reconcile the two approaches.

I want to say that I believe the DSIR have been very successful breeders of both herbage and crop cultivars, and I am sure they will continue to be effective, but as Dr Butler and other senior Government officials have said they have no intention of becoming involved in commerce. The marketing of Crop Research Division varieties is a topical subject and DSIR have recognised the need for good marketing. I am sure that this can be achieved through the existing members of the seed trade. However, as outlined earlier this activity requires some substantial resources, and these are available through the members of the New Zealand Plant Breeders and Research Association. The material could be handled in a proprietary fashion and would be made available to all members of the seed trade.

The principle is simple - provide the incentive and the job will be done.

## CONCLUSIONS

Much more could be said about this subject. Clearly we must ensure that our locally bred cultivars are effectively marketed and certainly our company wants to co-operate and be involved. As we develop in the private sector and intensify research activities, I believe we will see an increasing amount of material coming from commercial companies. We have already made some progress in developing a good relationship between the Government and private sector. There is ample room to continue expanding this relationship to ensure that we are making the best use of the total resources available. Access to the genetic material developed by government effort is a priority which would stimulate and advance our total plant breeding effort.

We believe that the New Zealand seed industry has a very promising future, but we need to eliminate the restraints and expand and broaden our total effort to make the necessary progress. New Zealand as a seed producing nation has a wonderful reputation internationally and certainly the quality of our production is the best in the world, but we need to review the market requirements critically, and more than anything, we need to lift our varieties out of the commodity class and give them the marketing attention they deserve.