

THE FARMER AS THE CONSUMER

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Thank you for the invitation to present this paper. The headings I wish to discuss are:

1. How satisfactory is the present system? Do we get adequate information about the benefits of Crop Research bred cultivars compared with privately bred competitors?
2. Is seed available when required?
3. Would a sole agency system work for publicly bred cultivars?
4. Are the farmers prepared to pay for the promotional costs of this type of marketing?

Farmers welcome the introduction of Plant Breeders Rights. The effects of inflation and the fluctuations in Meat and Wool prices plus increased costs of production mean that farmers are facing an ever increasing cost-price squeeze. They buy everything at New Zealand retail prices and sell at world wholesale prices which are governed by a controlled exchange rate.

We need the best cultivars that are available and we are prepared to pay for them.

HOW SATISFACTORY IS THE PRESENT SYSTEM?

Publicly bred cultivars are not advertised by the Crop Research Division (C.R.D.) and practically no promotion work is done other than a very limited amount by the Ministry of Agriculture and Fisheries (M.A.F.). I am afraid that a large majority of farmers do not go to their M.A.F. office for information. They ask their local merchant. If the merchant is an agent for a privately bred cultivar, then that is what they will buy.

We see increasing amounts of advertising of privately bred cultivars in the press and on television and radio. It is an established fact that you can sell anything if you advertise it enough.

Grasslands trials division have proved conclusively that publicly bred New Zealand pasture cultivars are superior, under New Zealand conditions, to overseas cultivars that have been tested alongside them.

How often do we see this fact publicised?

IS SEED AVAILABLE WHEN REQUIRED?

Sufficient seed of pasture cultivars is nearly always available. Certified seed of crop cultivars is not so readily available and many farmers do not bother about certified seed and so do not see a purity and germination certificate. This has been largely responsible for the spread of weeds such as Nodding Thistle and Wild Oats. This is another area where much more publicity is needed.

WOULD A SOLE AGENCY SYSTEM WORK FOR PUBLICLY BRED CULTIVARS?

The Executive of the Agriculture Section of Federated Farmers has prepared a paper on this subject. They feel that at this stage, their stand would not cut across, but would indeed work with the present Merchants Federation recommendations.

The Executive's recommendation on the sole agency question is as follows: "To facilitate the allocation of Crop Research Division bred cultivars, we would recommend that Crop Research Division negotiate with individual members of the New Zealand Agricultural Merchants Federation for the purpose of appointing breeders agents. While this system would entail a very large amount of specialised work by the C.R.D. it would ensure the maximum flexibility to obtain the best return to the country and the best utilisation of the merits of the cultivars."

The Executive supports the principle of any firm or individual who comes up to the required standard, to act as the agent should be allowed to thus preventing a monopolistic attitude and domination by a powerful consortium. On the question of royalties, the executive believes that these should be retained by the Crop Research Division and for the Farmers organisations, e.g. United Wheatgrowers, who are levied a figure of approximately \$50,000 a year, this money should be used for research.

If royalties were collected on wheat varieties it should be recognised what wheat growers have contributed by way of levies in the production of the new varieties. For example, on Kopara, which is over one third of the present wheat crop, the money collected in royalties would be over \$50,000. The Executive are strongly of the opinion that this money should be used on further research and promotional activities of the C.R.D. and United Wheatgrowers and not paid into the consolidated fund. Farmers are strongly opposed to the proposals put forward by the Plant Breeders Association: that C.R.D. bred cultivars be taken two thirds of the way to the finished product and then handed over to the firms who would complete the process. This would enable the private sector to gain all the royalties for work done by C.R.D.

ARE FARMERS PREPARED TO PAY FOR PROMOTIONAL COSTS OF CULTIVARS?

We accept the concept of royalties being included in the price of seed, because in today's cost structure, we can accept only those cultivars which will give the maximum yield and return per hectare. Satisfactory financial results will guarantee the maximum efforts by C.R.D. and private breeders through competition. At the same time we must not place breeders and the agents in a position where, because they control all multiplication of then registered cultivars, they are in a position where they can dictate:

1. Price irrespective of market value.
2. Complete control of the area sown.
3. Growers can be selected for reasons other than ability to produce a quality product.
4. That breeders and agent's services, such as drying and dressing can be demanded as part of the contract with the farmer having no right to

negotiate costs.

Our policy must be that we accept royalties on the seed we purchase but in no way must the breeder or his agent be in a position to take an unreasonable profit on the resulting crop because they have so much control farmers can not negotiate a fair return.

We feel that C.R.D. should continue to breed and introduce new cultivars and should receive the same royalties as the private sector. Some way must be devised whereby this money is retained for the continuation of this work and for the promotion of C.R.D. cultivars.

I believe we should look closely at regulations adopted by EEC countries. They now require that all seed is sold on the basis of minimum standards. The EEC directive relating to various categories of crop seed set standards for germination, analytical purity and weed seed content. Seed falling below these standards cannot be sold. Similar regulations also apply in Australia. It is becoming a mandatory requirement in the EEC that all seed of herbage crops, cereals and oil and fibre crops must be certified.

I have always opposed a seeds act which controls the production and marketing of seed but I think it is now time to review the situation. We have a list of acceptable cultivars. We should also have a recommended list drawn up by an independent authority. This would enable farmers to have access to full information on the relative performance of all cultivars in different years. They would then know that they could rely on true, useful and practical facts.