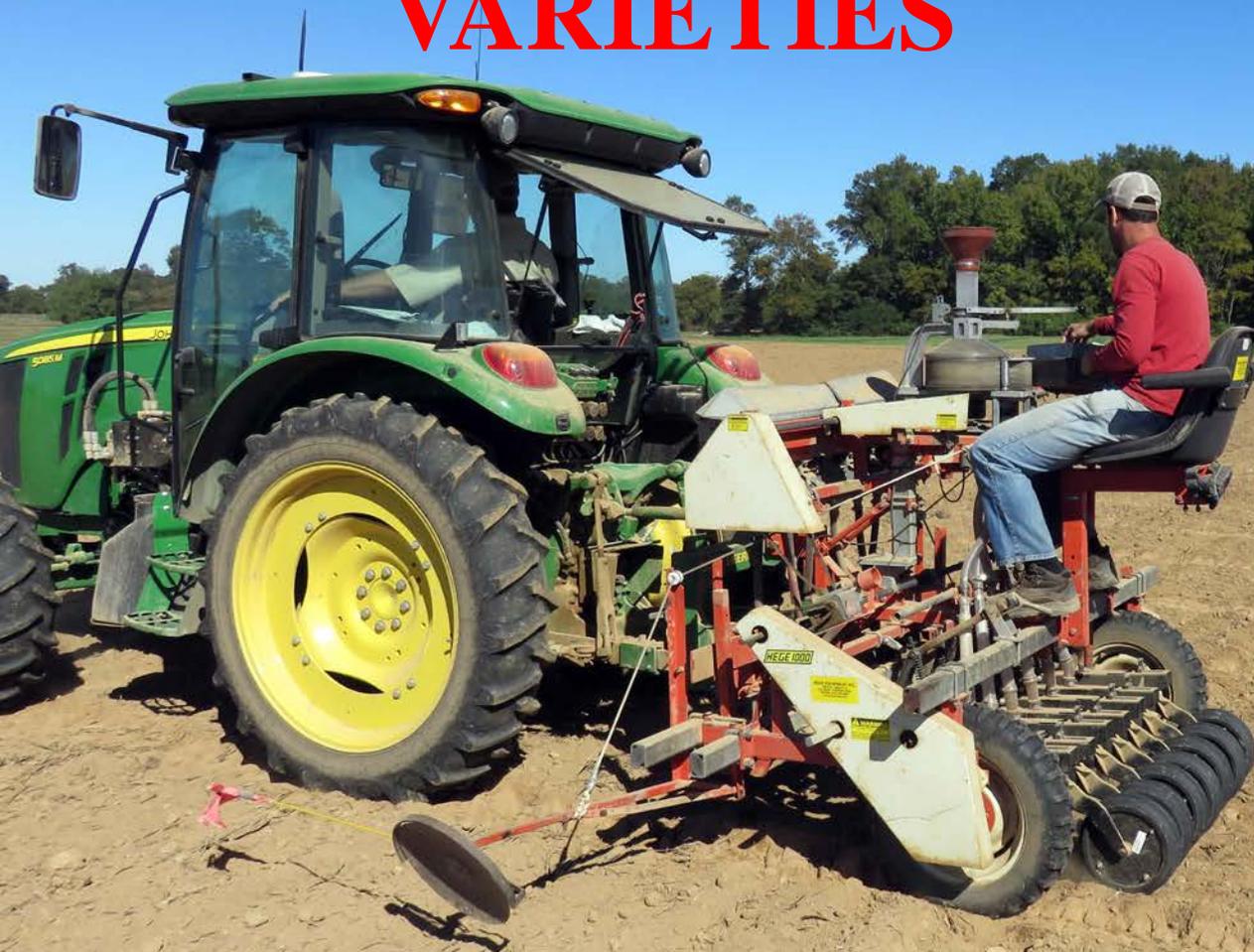


BRANDED WHEAT VARIETIES



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Plant Breeding is a Very Big Investment

- ✓ **\$\$\$ equipment**
- ✓ **Lots of skilled labor**
- ✓ **Long term commitment**
- ✓ **Facilities such as greenhouses and molecular labs**
- ✓ **Off-season nurseries**
- ✓ **Foundation Seed Programs**

It cost a lot of \$\$ to develop a successful plant variety.

Plant Breeding has to make a return on investment



Companies and universities will not fund plant breeding programs that are not productive.

In 1970 LSUAC had about 3x the plant breeding programs it does now.

There were many smaller plant breeding companies across the region.

There are lots of Ag Supply organizations that sell crop varieties.



That Leads us to Branded Varieties

A branded variety is simply a variety developed and PVP'd or patented by a breeding program under one name that is licensed for sale under a brand name by another company or companies.

- Most companies that market wheat varieties do not have their own breeding programs.**
- They prefer to have their own branded identity in the seed products that they sell.**

Branding is Encouraged by all University Programs

LA754 wheat is marketed as Terral LA754

- **It is PVP'd as LA754**
- **It is marketed exclusively under the Terral brand**

LA05006 oat is marketed as Horizon 306

- **It is PVP'd as LA05006**
- **It is marketed exclusively by Plantation Seed as Horizon 306**

Branding is a Logical Way for Commercial Breeders to distribute good breeding lines that they do not need in their product line.

It is a good way for to get elite genetics to the market when the breeder does not have that capability or infrastructure.

A company may already have a good variety that fits a certain niche market. They do not feel like they should release another variety to compete in that market.

However, there are ag supply and smaller seed companies that also market in that region and would like to have their own variety for that niche.

Many Varieties are Sold as Branded Varieties under a Single Name

- This is clearly not a problem and offers a number of advantages to breeders, seedsmen, and growers.



The problem occurs when a breeding institution that develops a wheat variety licenses that variety out to several companies that market in the same region.

- **These companies market that ‘same variety’ under different names to their growers.**
- **These companies enter that ‘same variety’ in state trials under different names.**



Same
color =
same
variety

Branded Wheat Varieties. Wheat performance trial across three North Louisiana locations for 2015.

Brand / variety	Grain Yield	rank	Test Wt	Head Day	t Ht	Str Rust	Leaf Rust	Fus HB
	bu/a		lbs/bu	of yr	in	%	%	0-9
ARMOR OCTANE	70.5	1	55.1	103	41	0	1	1.6
USG 3833	69.6	2	55.4	103	39	1	1	1.8
AGRIMAXX 447	69.5	3	55.6	103	38	1	0	1.5
USG3895	69.0	4	55.0	100	30	0	3	2.5
PIONEER 26R41	67.4	5	55.2	101	32	0	2	2.5
GO WHEAT 2056	64.7	6	52.8	100	35	0	3	3.0
DIXIE MCALISTER	63.0	7	53.0	100	33	0	8	2.9
PROGENY 870	61.6	13	52.8	100	34	0	12	3.1
DYNA-GRO 9171	61.4	14	52.9	100	34	0	6	3.4
AGRIMAXX 413	59.2	18	57.0	99	35	0	11	3.4
USG 3201	59.2	19	55.5	100	36	0	8	2.4
AGRIMAXX 415	57.0	23	56.3	100	36	1	10	2.3
DELTA GROW 7500	53.0	29	54.1	100	37	9	1	1.9
DIXIE EXTREME	49.9	35	50.7	102	40	0	17	2.4
DELTA GROW 9700	48.0	40	51.6	102	36	0	26	1.8
DYNA-GROW 9012	not in trial	53						
DYNA-GROW 9223	not in trial	54						
USG 3013	not in trial	55						
Mean	53.9		53.2	99	37	5	6	3.9
CV	12		6	1		106	90	21
LSD	8.4		3.0	2.0		11	16	1.1

Reasons for Varied Performance of a Single Genetics Source:

- **Seed production environment**
- **Cleaning and conditioning**
- **Storage conditions**
- **Seed age and vigor**
- **Seed treatment effects**
- **LSD 0.10**

Companies spend a great deal of resources making sure the very best product they can produce goes into statewide performance trials. The grower does not necessarily buy the same quality of product.

Dear All:

I am supposed to give a brief talk in a couple of weeks on branded wheat varieties.

I would greatly appreciate (briefly) your thoughts on the impacts, advantages, and disadvantages of branded varieties: 1) growers, 2) seedsmen, 3) consultants and agents, and 4) breeders.

Just briefly: is it good or bad and why.

I may quote you, but I will not identify anyone by name or organization.

Thanks much. Steve

Response 1

Thank you for the opportunity to comment - this is a subject I feel strongly about! Please don't attach my name to them as there are customers out there that I cannot afford to upset! I loathe the branded seed distribution system passionately.

While I can see advantages for the retailer (who is striving to be a "one stop shop" for his customer), I believe there are significant disadvantages for breeders, consultants, growers and others further down the value chain.

Response 1

A breeder's success depends on the technical merits of his product flow. With a succession of strong varieties, a breeder can build a reputation for a program, adding value to the organization - be it public or private. I believe it is the originator of the genetics that should get the credit and reward for this. The brand marketing system denies the breeder this right. Nobody understands a variety better than its breeder; nobody is in a better position to inform growers of the variety's attributes; and nobody is better placed to advise the end-user of the variety's merit. **The brand marketing system invariably severs all of these connections.**

Response 1

An independent consultant makes his living by selling knowledge. The disconnect between breeders and consultants created by brand marketers denies the consultant access to his most valuable information source – the inventor / creator of the variety.

Response 1

Brand marketing also denies a grower the opportunity to follow products from a program that performs well for him - the next variety his retailer recommends may be completely unrelated to the genetics that performs in his system. And what a waste of resources! Branded varieties occupy costly places in state testing systems. I've seen one variety entered in a state variety trial as many as 5 or 6 times under different brands. What an appalling waste of space! Those plots could be used to test a wider range of newer material.

Response 1

I think you could also produce an argument to say that retail branding of varieties could cause a stagnation in the rate of genetic gain. We constantly find ourselves under pressure to provide companies with varieties for branding – often on an exclusive basis. Naturally, we want our best new releases to capture the widest market possible – so it can be very tempting to release second rate “me too” varieties to retailers who want to sell under their private brand label.

Response 2

Seedsman- assuming we are still talking about a single brand under multiple names, it **could cause a price war**, where the lowest price will win out, effectively leaving no margin to the company. However if a variety is good and the seedsman does not have it he could effectively be losing market share. Kind of a damned if you do, damned if you don't situation.

Response 2

As an overall summary I understand the concern. I know out of those eight varieties I was a part of it, but I fully support the idea of exclusivity. I believe seedsman will do a better job in providing a quality product to the grower. It helps the seedsman retain value and would also allow for the genetic diversity on a growers land.

Response 3

Advantages:

- **Local retail brands able to identify themselves with Product**
- **Growers able to obtain local knowledge on new products through local retail organization.**
- **Growers able to get after sales service**
- **More local marketing support**
- **More opportunity for varieties selected for micro-markets**
- **Opportunity for varieties testing in more states to find addition micro-markets**
- **Seedsmen able to control market supply in their own area**

Response 4

Disadvantages: If a company offers a wheat lineup with little research or effort put into it, just the opposite is true and the results may be quite variable and unpredictable. Also, if a grower wants to buy from multiple sources, he will need to do a fair amount of personal research to avoid multiple genetics. If he buys from one reputable source, he has the best opportunity to diversify his lineup and spread out his risk thru different genetic cultivars

Response 4

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Response 4

Seedsmen:

Impacts: Seedsmen can offer their customer a complete offering of corn, soybeans, wheat, rice?, cotton?.

Advantages: This makes the loyal, non-discriminatory customer to one supplier happy and has to do little work on his part researching product performance data. The seedsmen's leadership team has the opportunity to align with a brand outside of the large proprietary companies. By making the right choices with the right brands, customer loyalty becomes more solid.

Response 4

Breeders:

Impacts: This gives breeders the opportunity to offer sister lines into the market place and broaden their customer base, rather than just seeing one line being made available to growers from time to time.

Advantages: Many good lines have gotten discarded in the past because there was no market to offer these in. This opens the door and of course creates an additional revenue stream back to assist with product development which is always a concern in a breeding program.

Disadvantages: Perhaps too much material gets made available including lower performing lines in the hope that some company will take, just to add more royalty money back into the breeding program.

Response 5

My biggest problem would be the Brand of several companies having the same variety in the bag. This would make the farmer who wanted to have three different varieties on his 500 acres end up having only two or worse only one variety.

Response 6

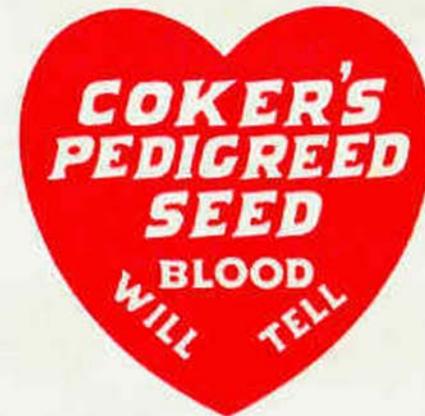
Good for distribution of successful varieties. Bad for tracking what varieties are being grown (like for determining % FHB resistant varieties grown) and probably leads us to think we are growing a diverse set of cultivars when it is actually quite narrow.

The bottom line:

**You need to know
there is a difference.**

**You need to know
what you are getting
when you buy a sack
of seed.**

There is a difference



QUESTIONS??



Plans for 2016

