

Producer Survey on Seed Royalties

Recent proposals on seed royalties have generated a great deal of interest and discussion among Canadian farmers. In late 2018, Agriculture and Agri-Food Canada and the Canadian Food Inspection Agency launched consultations on the future of crop breeding in Canada. A series of public meetings were held across the country where federal officials sought feedback on new models to collect royalties on saved seed. These included a “trailing contract royalty” where producers would sign a contract stipulating a royalty is paid when farm-saved seed is used, and an “end point royalty” in which a royalty is paid when delivering harvested grain from farm-saved seed. The consultations were put on hold in the spring of 2019, but are expected to resume later this year.

The Alberta Federation of Agriculture (AFA), the Agricultural Producers Association of Saskatchewan (APAS), and the Keystone Agricultural Producers of Manitoba (KAP) have been working together to ensure the viewpoints of producers are heard in these discussions. In July, the three farm organizations launched the “Producer Survey on Seed Royalties”. The purpose of the survey was to:

- Gauge awareness of the consultations and the two models that have been presented.
- Measure satisfaction with how varieties are currently developed and funded.
- Gather opinions on the two options presented and determine if there is support for investigating other options.
- Seek input on the principles that should guide changes to how plant breeding is funded.

Survey Results and Analysis

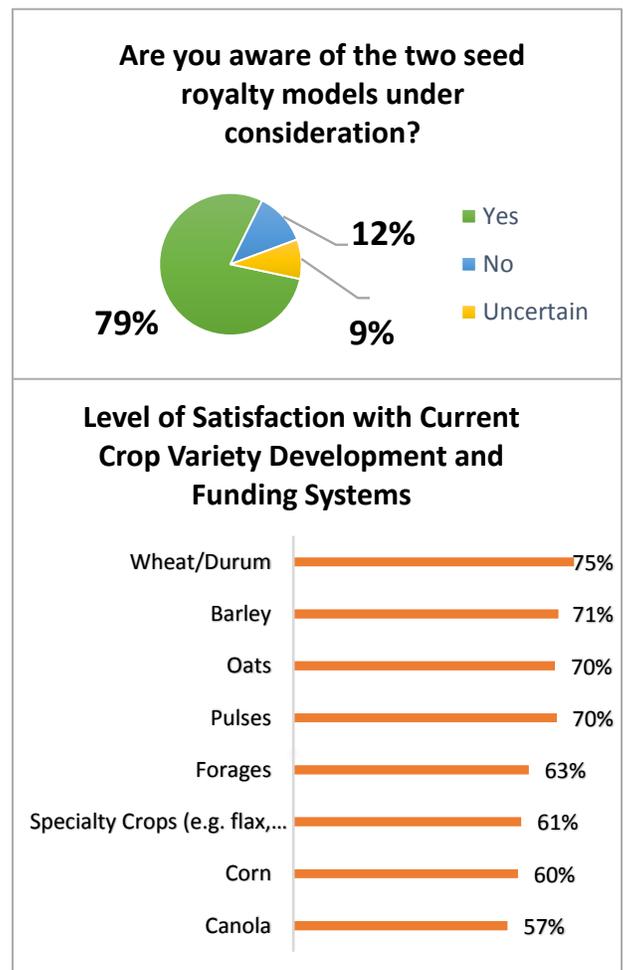
The survey was open from July 15 to October 15, 2019 and received 1,136 responses. 53% of respondents were from Saskatchewan, 25% Alberta, 19% Manitoba, and 3% other provinces.

Result #1: There was broad awareness of the consultations and the two specific options that have been presented.

80% of respondents said they were aware of the consultations on seed royalties/value creation. When asked to rate their familiarity with the proposed models, only 13% reported being unfamiliar with the end point royalty proposal, while only 17% were unfamiliar with the Trailing contract royalty option.

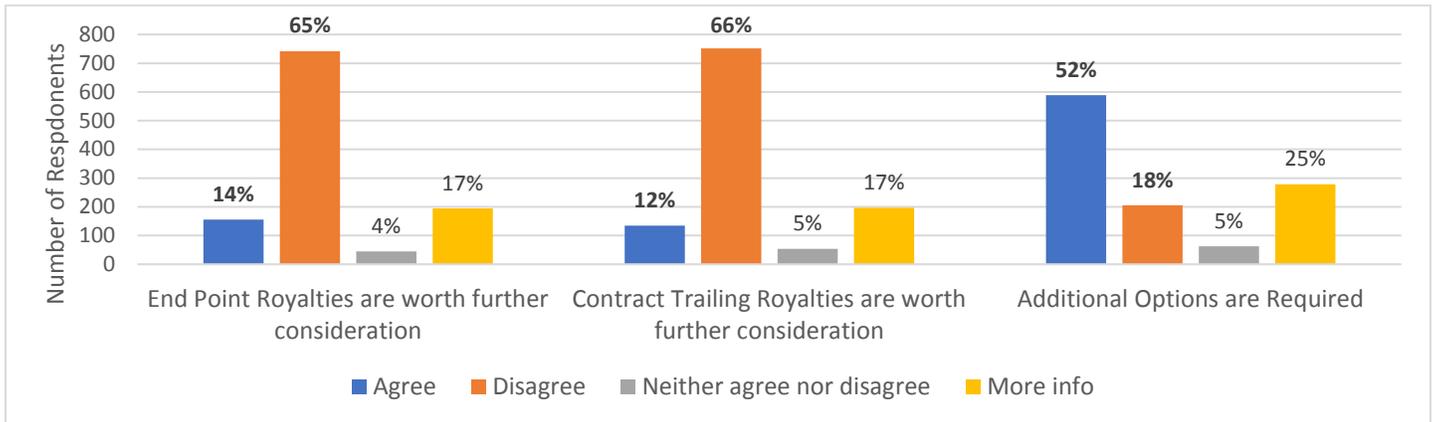
Result #2: Respondents reported an overall level of satisfaction with how new crop varieties are developed and funded in Canada.

The survey listed eight crop types and noted that these crops have different models for funding and commercializing new varieties. Respondents were asked to rate how satisfied they were that these models would meet their future needs (economic and agronomic).



Result #3: A large majority of respondents disagreed that the Trailing contract royalty and end point royalty models should be pursued further. There was strong support for the need to investigate additional options.

The survey used descriptions from government consultation material to briefly describe the trailing contract royalty and end point royalty proposals. Respondents were then asked if these models were worth further consideration or whether additional options were required. Respondents could also answer “more information needed”.



Responses to both proposals were consistent. For each proposal, between 65% and 66% of respondents disagreed or strongly disagreed that the models were worth further consideration. The majority wanted to express an opinion about the two models, with less than 25% selecting “more info needed” or “neither agree nor disagree”. Of those expressing an opinion, 79% disagreed or strongly disagreed they should be pursued further.

51% of respondents agreed that additional options were required, while 25% requested more information to fully answer the question. Of those expressing an opinion, 69% agreed or strongly agreed there was a need to examine additional options outside the two proposals.

Result #4: Responses were more varied when asked about the future direction of plant breeding in Canada. Respondents were asked to agree or disagree with various statements about the future of crop breeding in Canada. Long-term funding for public / university breeding programs ranked highest, followed by the need for producer oversight into how much funding is collected and how research funds are used. The percentages below include only those expressing an opinion about each statement.

1. Increased investment in crop development is required provided it ensures long-term stable funding for public and university breeding programs **(68% Agree; 32% Disagree)**
2. Increased investment in crop development is required provided producers have oversight into how much is collected and what the funds are used for. **(64% Agree; 36% Disagree)**
3. Increased investment in crop development is required to ensure Canadian producers have access to improved varieties in order to remain competitive in international markets. **(52% Agree; 48% Disagree)**
4. Increased investment in crop development is required provided it encourages competition and higher levels of private sector investment in plant breeding **(47% Agree; 53% Disagree)**

Result #5: Respondents expressed a strong interest and desire for further producer engagement in the seed royalty consultations. The survey results reflected strong opinions about seed royalties and a general awareness that the changes under consideration will affect farmers and the agricultural industry for decades. A large number of respondents asked to be kept informed as the consultation process moves forward.

To access the complete list of data tables used to compile this report, please visit:
www.seedroyaltysurvey.com