

## **COGGO Seeds Pty Ltd**

### **4.1.1 Farm Saved Seed**

It is presumed that proponents of the removal of the right of grain growers to farm saved seed, argue this case to ensure that grain growers purchase their seed every year from the breeding organizations or their seed marketing agents. Without farm saved seed, breeding organizations would need to support a very high level of redundancy to cater for periods of drought which would result in considerable financial impost on such breeding organizations. To cater for a drought year where the crop production is 25% of normal, seed production would have to be aiming to produce 4 times as much seed as they expect to sell to meet expected seed demands of the following season. The higher costs of producing quality seed with that sort of redundancy would be considerable. In the absence of such redundancy, growers would not be able to plant their full crop in the year following a drought. This would be unacceptable to the Australian cropping industry and would result in considerable loss of earnings for not only grain growers but also the breeding organizations.

Provision of the right to save seed on farm provides the grain industry with a low cost option to handle the impact of drought. Because seed is drawn from the commercial grain production, there is automatically a huge buffer against the effects of drought.

There is a concern expressed that the lack of economic opportunity to be able to audit varieties for grain delivered by growers prevents breeding organizations ensuring a fair payment of royalties on grain production. It is true that there is not cost effective and reliable system available for variety identification, at the present point in time. However the removal of legal exemptions for farm saved seed does not overcome this problem. Clearly growers at present are not declaring the correct variety on delivery, despite the legal obligation to do so. The assumption, therefore, that the removal of farm saved seed is going to make growers suddenly declare varieties correctly, does not stand up. Without an effective audit system, growers who do save seed and use it the next season still are not going to be caught.

For breeding organizations to be assured of a fair return from royalties the industry needs:-

1. A cost effective variety ID service;
2. Legal power to require receivers of grain to provide details of tonnes received by variety and provide an audit sampling service for grower loads to establish correctness of declaration by growers;
3. Legal power to be able to audit grain held on farm; and
4. A coordinated approach to audit testing and collection of relevant production data.

Without the above, removing farm saved seed rights is not going to have the desired impact. With the above, removal of farm saved seed rights is unnecessary and unwarranted.

To express it in another way, insisting that there can be no private sale of cars and that cars can only be purchased from car dealers will not stop people from speeding. Only the high risk of being caught speeding and a suitable penalty when they are caught, will stop people speeding.

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