

legal

Certified seed

**A question in economics: certified
seed could earn you higher profits**

as illustrated by the economic model designed by economists at Kansas State, the profit potential between certified and saved seed was \$9.95 per acre. This analysis takes into consideration the cost of a bag of certified seed. There are many reasons why the Kansas Crop Improvement Association promotes certified seed, one of which is that it is a good farming practice and business decision.

Take some time to understand certified seed as a risk management tool, especially since it has a tested germination rate and requires less seed for the same acreage. Check out the Kansas State economic spreadsheet free of charge at <http://www.agmanager.info/crops/prodecon/production/default.asp>. FYI invites you to see for yourself how your own operation could benefit from planting certified seed. FYI has used data from the 2006 harvest, provided in the footnote and the end of the article.¹

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certified and saved seed was
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fyi

{ For your information }

Farmers

Yield Initiative

is a coalition of public and private partners with the common goal of protecting the public and the grain industry by supporting plant variety improvement through research, education, certification, and PVP enforcement for your benefit.

story continued from cover

Several years ago, the Georgia Crop Improvement Association's Small Grain-Drill Box Survey found that certified wheat seed had a yield premium of 3 bushels per acre over bin-run seed. This translates to a \$6.75 per acre return over the purchase price of

reveals a benefit of \$9.25 per acre return.

The value of certified seed goes far beyond purchase price. Many producers do not recognize the hidden costs associated with saved seed. They may be damaging their seed

In a federal government study using 1987 data for the Plains States, producers enjoyed a gain in yield of 3.5 bushels per acre when using purchased seed instead of bin-run seed. The value of this additional yield, based on a very low harvest price of \$2.17 per bushel, translates into a \$7.60-per-acre gain. Under this federal study, no cost was assigned to cleaning or treating the bin-run seed, whereas the K-State model does factor in storage and cleaning costs. The federal study further revealed that for the Pacific Northwest, the use of purchased seed resulted in a net profit gain of \$11.59 per acre.²

certified seed. Even more meaningful is that the study found that of the bin-run samples randomly collected, sixty-two percent had severe seed damage and varietal purity problems. When adjusted to today's wheat pricing, the study

through improper handling and storage, and there are also costs for cleaning, treating, and storing saved seed. Planting saved seed may necessitate higher seeding rates, so producers use more seed per acre to achieve desired wheat stands.



As illustrated by the economic model designed by economists at Kansas State, using information from the 2006 harvest, the profit potential between certified and saved seed was \$9.95 per acre. This means that the profit to the producer was \$9.95 per acre more for using certified seed rather than saved seed. This analysis takes into consideration that the cost of a bag of certified seed was higher than saving seed at market price. Keep in mind that this price difference uses a three-bushel-yield difference. If the difference in yield per acre were increased to four bushels, then the profit would increase to \$13.90 per acre. Many producers who already use certified seed can attest to the increase in yield in addition to the convenience and time savings.

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“When compared to all the input costs for producing a wheat crop, the additional cost of using certified seed is pretty minor. Unfortunately for many farmers, it's the first thing they cut, thereby limiting the efficiency of all their other inputs,” says Daryl Strouts, KCIA executive director. “Using poor quality seed has farmers literally leaving money in the field when commodity prices are as strong as they are now.” “Long-term, lower proven farm yields mean lower insurance value and lower government payments.”

Perhaps you should consider the benefits of using the economic spreadsheet prepared by K-State. It may lead you to consider using certified seed for your entire operation, every year. **fyi**

¹ Cost Certified Seed (\$9); Harvest Price (\$4.25); Storage Cost (\$.03); Storage Days (100); Interest (8.5%); Cleaning Cost (\$.85); Percent Cleaned (85%); Treating Cost (\$.85); Percent Treated (45%); Labor Cost (\$.20); Cleanout Value (\$2.125); Percent Cleanout (10%); Seeding Rate Certified (70 lbs/ac); Seeding Rate Saved (85 lbs/ac); Expected Yield Certified (40 bu/ac); Expected Yield Saved (37 bu/ac); Expected Harvest Price (\$4.25).

² Knudson and Handon, Intellectual Property Rights and the Private Seed Industry. Resources and Technology Division, Economic Research Service, U.S. Dept. of Agriculture. Agricultural Economic Report No. 654.

yield

The genetic advantage

Through the use of superior research tools, scientists at both public and private breeding programs have been able to increase yields, resistance to pests and diseases.

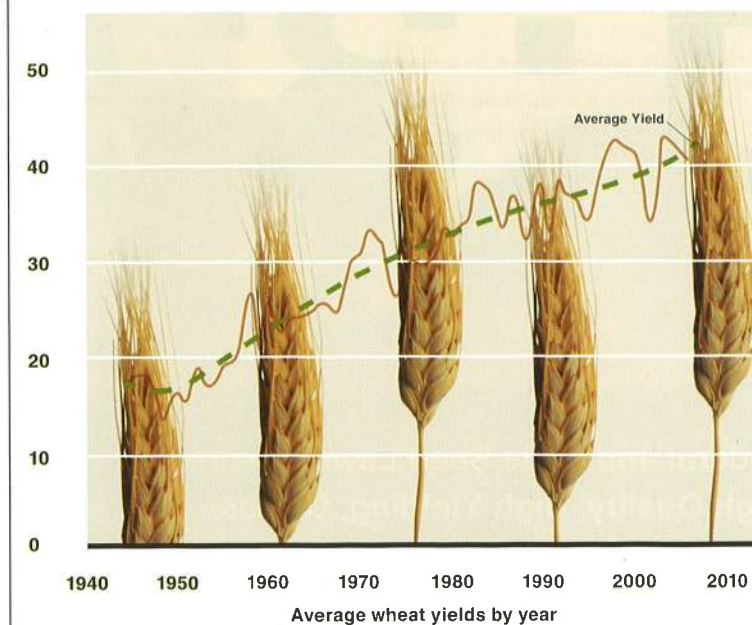
advances in wheat genetics are important for the continued development of wheat varieties with enhanced yield potential, resistance to pests and diseases, and tolerance of changing environmental conditions. Wheat is a very complex plant, having a large amount of DNA in its nucleus. Several different researchers are working to develop a full genetic map of the wheat chromosomes and to use that mapping to then be used as templates for the construction of the different chromosomes. Scientists often work collectively in order to share their information in what is known as the project database (WheatDB) which is accessible at <http://wheatdb.ucdavis.edu:8080/wheatdb/index.jsp>. This public database will be the initial repository of physical mapping information, which provides the tools for easy access, display, and analysis of the genetic data. Project data can also be integrated into GrainGenes (<http://wheat.pw.usda.gov/GG2/index.shtml>) and Gramene (<http://www.gramene.org/>), both curated public websites.

GrainGenes provides a compilation of molecular and phenotypic information on wheat and other cereals. Gramene is an open-source, data resource for comparative genome analysis in the grasses.

“The use of cutting-edge technology goes beyond the laboratory and **helps your farming profits.**”

With this information fully established, scientists can understand the genetic reasons for higher yielding, better performing, and stronger varieties. **fyi**

Yields



new crop varieties are available every year with greater hardiness, drought tolerance and insect and disease resistance. They are the direct results of investments made by public and private breeders, geneticists and scientists. Their expertise, which is insured by the Plant Variety

Protection Act, brings you valuable results. Thanks to these investments, you now have the benefit of increased yield, improvements in protein, quality and other agronomic traits of value.*

*Data from USDA's electronic NASS Agricultural Statistics Database, all wheat, 1946-2006, at http://www.nass.usda.gov/Data_and_Statistics/Quick_Stats/index.asp.

patent enforcement

1-324

Federal and State Seed Laws Ensure High Quality, High Yielding, Disease Resistant Seed for Years to Come

Good quality seed means good results for farmers. Certified seed has been germination tested and confirmed to be free of unwanted contaminants. Compliance with and enforcement of PVP and patent laws are viewed as the best ways to ensure that higher yields, better disease resistance, and other trait improvements are incorporated into future crops. The purpose of this Farmers' Yield Initiative is to encourage the public to comply with existing seed laws embodied in the PVP and state seed certification standards, and FYI seeks to accomplish these goals by educating the public as to the existing laws and enforcing those laws. FYI is not advancing a common commercial seed enterprise and is not a formal trade organization. You can expect three times the yields that your grandfather did.

The Farmers' Yield Initiative is designed to serve as an educational tool. In most instances where people are selling, or offering for sale, federally protected seed without authority and in violation of the laws, the owners of the variety attempt to educate innocent people that their conduct is not permitted by the laws. However, if a producer is caught selling or even offering the variety for sale and has already been informed, the owner of the variety has an obligation to ensure a level playing field. **fyi**

Reasons to consider

The Plant Variety Protection Act (PVPA) allows for the recovery of all legal costs plus triple damages from those found guilty. Don't expose yourself to the risk of a trial in Federal Court!

If you sell, trade, or even clean seed for sale of a protected variety without the express permission or authorization of the owner, you are liable to be penalized. Recently, a grain elevator in Kansas was detected selling seed of protected wheat varieties without authorization from the owners. This cost them \$50,000 to settle the claims.

Enforcement of PVP rights takes many different approaches, including both lawsuits and out-of-court settlements. Those who sell protected varieties without legal authority are at risk of being caught. **Violation of patent and PVP rights may carry a heavy cost.**

Infringement + Consequences

El Dorado Chemical Company: **\$60,000**
Rex Magee d/b/a Magee Farm Equipment Company: **\$100,000**
Add-Van Farms: **\$1,200,000**
Larry Porter, Porter Seed Cleaning, Inc. & Jay Farming, Inc.: **\$75,000**
Paul J. Zinser: **\$362,000**
Buck Island Seed Co.: **\$300,000**
Tribune Grain, LLC: **\$50,000**
Lee Nikkel's Farm & John Nikkel: **\$57,200**
Don Arnold: **\$2,500,000**
FFR Cooperative, Allied Seed, Inc. and Produce Exchange No. 299: **\$215,000**
Jessen Unlimited & Loren Jessen: **\$62,500**
Kletis Ronald Kelly: **\$74,250**
Steve Riffel, Randy Riffel, Riffel Farms: **\$150,000**
Marlin Mason: **\$16,250**
Tom Bannwarth, Duane Bannwarth, and Bannwarth Farms, LLC: **\$32,500**
John Coughlin: **\$30,000**
Jim Hauge: **\$47,500**
Dale Zemlicka, Dewey Zemlicka and Daron Zemlicka: **\$10,000**
Major Cokeley, Cy Cokeley, and Andrew Tonn: **\$18,000**
Clayton Fisher: **\$50,000**
Lloyd Rudzik: **\$15,000**
Brad Bechen: **\$15,000**
Midstates AG Services, Inc.: **\$60,000**
Country Pride Cooperative: **\$50,000**
Richard Flax, Arlen Flax, Dean Gottschalk, Leland Werth, August Herman, Jr., and John Fischer: **\$90,000**

Tip Line Enforcement Tool

The purpose of the Farmers' Yield Initiative is to educate the public and producers about the need for more scientific research during a time of federal and state funding cuts. Congress designed the PVP and other federal laws to encourage both public institutions and private companies to invest in research and recoup that investment through royalties.

States have state seed certification processes to ensure only the highest quality seed is distributed to producers. Certified seed is a strong and reliable indicator of high quality.

The overwhelming majority of all new seed varieties are federally protected and can only be sold as a class of certified seed.

While many producers respect the laws, there are some who seek to gain an unfair advantage over other producers by working outside of the legal system. One way to level the playing field is to anonymously report those who seek to benefit from new varieties without contributing to the substantial research investments that make them possible.

Please consider submitting a strictly confidential tip to help put a stop to illegal seed trade. You need not identify yourself during the phone call. The caller can remain anonymous, and it is toll-free:

1-877-482-5907.

Protected varieties lexicon

A helpful listing of federally protected seed and provider information. Please use this resource to protect yourself and the grain industry as a whole.

AgriPro varieties:

604 CL
AP401 CL
AP 503CL2
AP603 CL
Art
Aspen
Benton
Beretta
Branson
CJ
COKER 9152
COKER 9184
COKER 9295
COKER 9312
COKER 9375
COKER 9436
COKER 9474
COKER 9511
COKER 9553
COKER 9663

COKER 9803
Cooper
Coronado
Crawford
Cutter
Doans
Dumas
Fannin
Freyr
Hawken
Jackpot
Jagalene
Knudson
Longhorn
Mason
Natchez
Neosho
Norpro
NuDakota
NuFrontier
NuGrain
NuHills

Ogallala
Panola
Platte
Postrock
Santa Fe
Smoky Hill
TAM-111
TAM 203
TAM 401
Thunderbolt
Triticale

AGSECO varieties:

Armour
Bill Brown
Hitch
Keota
Protection
Shocker
Spartin
TAM-110
Winterhawk

Colo State varieties:

Akron
Jules
Prowers
Snowmass
Yuma

CWRF varieties:

Above
Ankor
Avalanche
Bill Brown

Bond CL
Halt
Hatcher
Prairie Red
Prowers
Prowers 99
Ripper
Thunder CL
Yumar

CWRF/Agvantage IP varieties:

Above
Bond CL
Bill Brown
Hatcher
Hitch
Keota
Protection
Shocker
Spartin
TAM-110
Winterhawk

K-State varieties:

2137
2145
2174
Betty
Everest
Heyne
Ike
Lakin
Stanton

Trego
KSURF varieties:
Danby
Fuller
Jagger
Overley
RonL

Nebraska varieties:

Arapahoe
Goodstreak
Husker Genetics Brand
Overland
Husker Genetics Brand
Settler CL
Infinity CL
Mace
Millennium
NE422T (triticale)
Wahoo

OKGenetics varieties:

Billings (Application Pending)
Centerfield
Duster
Guymon
OK Bullet
Okfield

Application pending:
Pete
OSU varieties:
Deliver
Endurance

SDSU varieties:

Alice
Brick
Briggs
Colt
Crimson
Darrell
Ember
Expedition
Forge
Granger
Harding
Ingot
Lyman
Oxen
Russ
Streaker
Stallion
Tandem
Traverse
Walworth
Wendy

Wasley Seed varieties:

SlikTrit
Triticale
TAM-112
WestBred varieties:
Alzada
Armour
Breaker
Bynum
CDC Falcon
Cortez (durum)
Conan

Texas A&M varieties:

Dallas Oats
Lockett
Sturdy 2K
Tambar 501

TAM-202
TAM-203
TAM-302
TAM-304
TAMO-397
TAMO-405
TAMO-406
TAMO-606

UNL varieties:

Alliance
Arapahoe
Husker Genetics Brand
Overland
Husker Genetics Brand
Settler CL
Mace

WestBred varieties:

Alzada
Armour
Breaker
Bynum
CDC Falcon
Cortez (durum)
Conan

Corbin
Express
Granite
Hitch
Jedd CL
Keota
Kola (durum)
Ledger
Norris
O'Neal
Onaga
Pristine
Pryor
Roughrider
Samson
Schocker
Shavano
Smoky Hill
Snow Crest
Tacna (durum)
Trooper
Volt

WestBred varieties:

WestBred 470
WestBred 936

Univ. of Minnesota varieties:

200800159 - Cromwell
200800115 - RB07
200700088 - Ada
200600060 - Ulen
200400061 - Oklee

9900171 - HJ98
Application pending:
200900236 - Tom
201000167 - Sabin

Montana State Univ., PVPA title V varieties:

Yellowstone, hard red winter wheat
Genou, hard red winter wheat
Vida, hard red spring wheat
Hockett, malt barley

NDSU/RF varieties:

Hard red spring wheat:
Steele-ND
Glenn
Howard
Faller
Barlow
Mott
Durum Wheat:
Alkabo
Divide

Grenora
Barley:
Stellar-ND
Pinnacle
Rawson
ND901CL

Flax:

Carter
Oats:
HI-FI
Shelby 427
Souris
Rockford

Soybeans:

Sheyenne
Cavalier
Ashlabula
Trail
Jim
Prosoy
Davison
Deuel
Hamlin

Edible Beans:

Eclipse
Stampede
Lariat
ND-307
Avalanche

2010 Our partners

