

History of Royalty Collection on Milling Wheat

In the 1990s a group of Industry Representatives and Flour Millers sat down to discuss the issue of Royalty collection on Milling Wheat's.

With more and more growers using farmer saved seed the issue was that they could see Breeders becoming less likely to invest in New Zealand Milling Wheat cultivars as the costs outweighed the income.

The outcome from the meeting was that they would adopt the practice of End Point Royalties. A practice while new to New Zealand was well proven internationally.

Since the 1990s the Cultivars included in this form of Royalty collection has grown to include some Biscuit Wheat, Feed Wheat, Triticale & Pea cultivars.

The Practice

Similar to the FAR Levy the collection of these Royalties is the responsibility of the first purchaser from the Grower. Since the 1990s they have been deducted from the Grower payments by the industry and the payments have been forwarded onto the New Zealand head licensee who intern forwards them to the Breeder. (Please note that if you are not the first purchaser from the Grower then similar to the FAR levies you do not deduct Levies & Royalties).

NZGSTA Position

While the NZGSTA fully supports the collection of End Point Royalties and sees the benefits to the industry at large it can only ask members to fulfil their obligations as the system of the collection of End Point Royalties is neither Legislated or in our Handbook.

The NZGSTA does however draw to the attention of its members the Code of Ethics publicised in the NZGSTA Rules and Constitution where we as an organisation agree to "Respect the Intellectual property Rights of the owners of Proprietary Cultivars and patented technologies, and pay applicable royalties and levies where required"