

FAQ: WSU Wheat and Barley Research and Royalties

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Washington State University breeds cereals for diverse climates in Washington, with a focus on locally important resistance traits and high standards while training the next generation of plant breeders.

The cereal breeding industry is changing rapidly. Public breeding programs need adequate financial resources to remain viable. For the past four years, WSU wheat and barley research has been supported by royalties and protected by plant-back restrictions, both critical to the long-term survival of our public breeding program.

Below, WSU provides answers to frequently asked questions in order to provide clarity about royalties and plant-back provisions.

What are wheat and barley royalties?

- Royalties are payments made on each pound of seed sold from proprietary wheat varieties developed by corporations and universities or research institutions. Royalties are collected by seed dealers and are paid to the developing company or university.
- Royalties are common in the seed industry. They have been established by all companies as well as most public (university) wheat breeding programs.

Why did WSU begin charging royalties?

- In 2012, in response to reductions in state support and increased costs of developing new wheat and barley varieties, WSU began charging royalties on all new varieties. Less than one third of the cost of WSU research, including variety development, comes from state and federal formula funds. The remainder of the cost is from extramural sources.
- Costs for developing new wheat and barley varieties have risen dramatically. Increasing demand for higher yielding varieties with excellent end-use quality and disease resistance that are specifically adapted to the various growing areas require advanced technology, more intense testing, and seed increases conducted in locations such as Arizona or the southern hemisphere to reduce the time to development.

How much do growers pay?

- WSU's current royalty is 2 cents per pound of seed. Seventy percent (70%) of net proceeds from royalties are distributed to the WSU wheat and barley breeding programs, with the remainder distributed among the WSU Agricultural Research Center, the wheat or barley breeder, and the WSU Office of Commercialization.
- WSU royalties are priced competitively, and are below private company royalty rates. WSU does not set the total, retail seed price—seed sellers do.
- In 2015, gross royalties before expenses brought in \$856,000.

How do royalties benefit the future of wheat and barley?

- WSU is committed to releasing outstanding varieties by having the best wheat and barley breeding programs in the country. Royalties are reinvested in our breeding and support programs to develop new varieties addressing diverse market requirements and production conditions for Washington growers.
- Royalties and commercialization of WSU wheat varieties protect our germplasm, which has a 120-year development history. Certified seed ensures that Washington wheat maintains consistent high quality, uniformity and is true to type year after year.
- WSU varieties give farmers an option in addition to private company varieties, and are developed specifically for the unique climatic regions of eastern Washington.
- For the next several years, royalties from WSU wheat and barley varieties are being used to pay for WSU's share of the cost of the new Washington Grains Plant Growth Facility (PGF), opened in fall 2015. This facility speeds and improves the breeding process. Future royalties will be reinvested in variety development (breeding) programs and other research that supports variety development.

Why does WSU use Certified seed and “no plant-back” restrictions?

- Newer WSU varieties are protected under Plant Variety Patents and/or contracts, where the seeds are sold under a “no plant-back” restriction.
- To ensure genetic purity, identity, and minimum established quality standards, royalty bearing WSU varieties are available only as Certified seeds.
- This protects the buyer as Certified seeds and the re-planting restriction provide an assurance to the user that the purchased seed meets a specific standard level of high genetic purity, germplasm identity, high germinating ability, and minimum amounts of other crop seed, weed seed, and inert matter.
- A current list of WSU varieties that are under a “no plant-back” restriction can be found at <http://www.washgenetics.com/>.