

28 FEB 1986

REPORT
ON
MEETING WITH N.S.D.O.
London 19.2.86

PRESENT

N.S.D.O Chairman ??
D.J.Garner
B.S.Jewitt
K.W.Lynch
SNFU J.McLAREN
SPTA J.H.BARR
NFU G.W.GILSTON
NASPM H.GRIEFF
Consultant W.J.Ridgeman

After the preliminaries, and before entering upon the business of the meeting, G. Gilston and your representative requested clarification of press reports announcing the Government intention to privatize NSDO.

In reply, the Chairman and Chief Executive stated that while some discussion had taken place with Govt. they were little better informed than the press, and so far as they were aware Govt. was only exploring the practicalities of privatization.

Recent press comment would however tend to give the impression that privatization is more imminent.

Concern was expressed that there should be consultation with the various interested bodies, and it was generally agreed that it would be desirable for those bodies to intimate their interest to the Govt. so that discussion may take place regarding the possible impact on the industry of such a move.

WE SHOULD DO SO FORTHWITH.

(Note: It should be remembered that it is NSDO that is involved Not FRE. Also, by far the major part of NSDO income is derived from cereal and other seeds. Potatoes are the poor relation, and while the matter may be of great importance to our industry, we may find scant regard paid to our views on the matter.)

The Meeting then proceeded to consider Prof Gilman's annual review of costs.

(Details available on request)

In summary, the inflation index presented by Prof Gilman indicated a 5.4% rise in costs. Index linking under the agreement would

result in an increase of #4 per hectare in the rate of Royalty payable on the 1987 crop.

Your representative at this point stated that the economic situation in the Potato Trade, and the seed Potato Trade in particular, was such that NSDO should declare a moratorium on any increase at this time. I was fully supported in this by NFU, SNFU and NASPM., to the obvious discomfiture of NSDO.

Considerable discussion followed with a good deal of criticism being levelled at the failure of the NSDO breeders to come up with any really useful new material, and at the prodigal spending of the state Institutions.

It became obvious that NSDO would not accept the status quo, and after two withdrawals, for consultations with the other representatives, unanimous, albeit somewhat reluctant, agreement was reached on an increase of #3 per hectare - approx. 4%.

In agreeing to accept this figure, I was somewhat influenced by the consideration that an agreed rate will be binding on any successor to NSDO, and that it has therefor established the Royalty rate, at least, up to the 1987 crop.

Had no agreement been reached it is certain that the NSDO board would have imposed the original #4 increase on the industry, and there might be less chance of an imposed settlement being honoured by any successor to NSDO.

There is the possibility that a privatized NSDO will be even hungrier for revenue, and may be even less open to influence from the industry.

Subject to ratification at the next meeting of NSDO board therefor the ROYALTY RATES for the 1987 Crop will be :-

Basic seed Grades #77 per ha.
English CC Grade #67 per ha.

ADCB John McLaren raised the question of relief from Royalty where crops had not been lifted due to flooding.

Mr Lynch could not give an immediate answer, but is to consult with the other interested bodies and has promised to communicate with the various representatives as soon as possible.

In any event there appeared general agreement that "WHERE IT COULD BE SHOWN THAT THE PMB HAD GRANTED LEVY RELIEF," Similar consideration should be given by NSDO

This will probably require NSDO board approval, and consultation with the collecting body PLANT ROYALTY BUREAU.

The attitude or agreement of that body regarding non NSDO material is not known.

If any member has had PMB relief on a Certified crop of a Royalty carrying variety, They should be advised that it may be worth making an application for relief. This would probably be better if supported by written confirmation from PMB of the area on which they (the PMB) have granted relief.

No guarantee of success can be given, but it should perhaps be brought to member's attention, since most of them will (of course) have already paid, or be about to pay, the Royalty bill !

The next meeting of the Committee was provisionally fixed for Wed 18th february 1987 subject to the continuance of the present NSDO.

JOHN H. BARR