



## Financing Organic Plant Breeding Activities

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20. September 2019

# Why Organic Plant Breeding must be strongly promoted?

- Today there is high dependency on cultivars bred for high input conditions by multi-national companies (> 90%)
- Until now only few organic breeding initiatives covering a small number of crops driven by pioneers investing own resources
- Breeding is long term approach needs 10 to 20 years before first cultivars can be released, thus it needs long term engagement
- Special demand of organic sector needs higher and more diverse breeding efforts
- Capacity building and career development of young breeders is urgently needed
- Divergence in breeding goals and techniques will cause severe shortage of cultivars and contamination problems in near future
- → **loss of consumer trust**

# Present funding schemes for Organic Breeding

## Donations

**Donors:** Seed Fund, Software AG Foundation, Mercator Foundation Switzerland, etc.

- In DE and CH most important resource for most organic breeders
- Minimal administrative effort at non-profit status
- Purpose-oriented but limited in total volume
- Limitations:
  - donation stays at “charity” level – no real value chain partnership

## Licenses, seed reproduction fees, variety development contributions & sale of seeds / vegetative plant material

**Donors:** farmers, gardeners

- Generate a certain amount of money backflow that can be invested in breeding
- Limitations:
  - contribution is usually low and does not work if we strive for many cultivars and many different varieties and animal breeds

# Present funding schemes for Organic Breeding

## Public funding

**Donors:** in DE and CH mainly: BLE, EU, BMBF, EiP, BLW etc.

- Several public funds available
- Limitations:
  - Only for breeding research not for practical breeding work
  - Long-term breeding activities difficult to finance through public funds
  - High administrative effort for applications and reporting
  - Often tied to a high proportion of own funds that are not available

## Public funding at EU-level

- Limitations:
  - large consortia with small budgets for breeding activities
  - High administrative level
  - Long and difficult proposal process

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# Present funding schemes for Organic Breeding

## Incentive charges for derogation on conventionally untreated seed

**Donors:** farmers, gardeners

- Price difference between organic/conventional seed is collected to support organic breeding
- Limitations:
  - So far only works in Switzerland (coordinated by Bio Suisse)
  - Legal regulation is not allowed as it will cause distortion of competition
  - Danger of conventional suppliers increasing the price
  - Will be obsolete as soon as 100% organic seed is reached

# Present funding schemes for Organic Breeding

## Crowd funding

**Donors:** consumers, citizen, broad public

- Non-profit status (Open Source Seed)
- Limitations:
  - High administrative expenditure

# Present funding schemes for Organic Breeding

## Participation of the value chain

**Donors:** Organic associations, processors, specialized trader, retailer, consumer

- Fair Breeding 0.3% of net sales of fruit and vegetables
- High Oleic Organic Sunflowers: 12 companies join forces to invest for 7 years
- Organic Cotton accelerator: Participation of the major textile labels in a joint pool financing of OCA, an organization that coordinates pool funds and promotes organic cotton breeding: Seeding the Green Future.
- Limitations:
  - donors difficult to be convinced and benefits need to be communicated
  - Value chain partnerships need “care and attention”
  - Pressure to be successful in breeding - donors want to see results/outputs (varieties)

# Different financing channels of organic breeding

## source of funds

## use of funds

**Investment in the future -  
the entire value chain**

**Licenses &  
Variety development  
contributions**

farmers, multipliers

**Non-profit financial  
resources**

Seed funds, animal breeding  
funds, FairBreeding© etc.

**Public subsidies**

LEAD, EU, BMBF, DLR, BLW

**Demand-oriented organic  
breeding as R&D for the  
processing sector, quality  
Taste**

**variety development**  
Yield & suitability for  
cultivation

**Non-profit breeding**

Biodiversity, sustainable  
nutrition, cultural heritage

**Breeding research, pre-  
breeding, conservation**

Biodiversity, health,  
methodology

**organic breeding**

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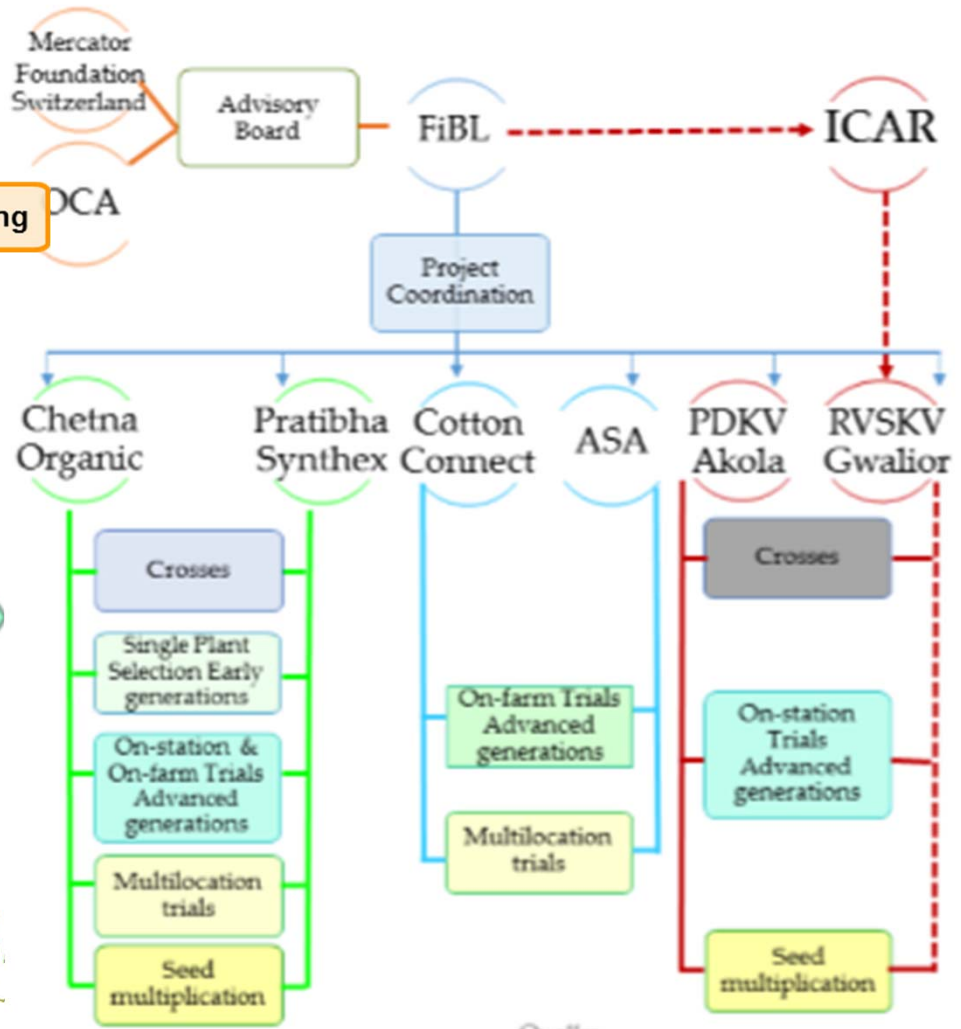
# Example for cross-sector promotion of organic cotton breeding



**Poolfunding of organic breeding:**  
 50% Foundation Mercator Switzerland  
 50% Organic Cotton Accelerator

**Fundraising**

## Project Governance, Activities & Partners



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# Engagement.BioBreeding

Through cross-sector engagement in organic breeding, it is possible to

- Maintain the integrity of the organic sector (consumer demand)
- Maintain the integrity of the genome (required by the IFOAM guidelines)
- Breed plant cultivars of many crops that are adapted to organic agriculture
- Integrate fragmented financing into a long-term approach that meets the needs of the organic sector
- enlarge financial resources (from 3 Mio € to 10-20 Mio €) allowing new breeding initiatives to emerge and promotion of young breeders

[www.engagement.biozuechtung.org](http://www.engagement.biozuechtung.org)

## What distinguishes a Value Chain Partnership

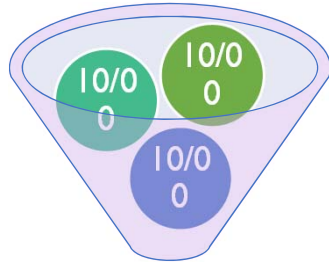
- Joint provision of sustainably produced food for the mutual benefit of all stakeholders. Sharing of risks and benefits.
- Functioning value chains and close cooperation between the actors based on partnership.
- Orientation towards added value for customers.

## Why breeding needs to be included in the Value Chain Partnership

- Organic breeding forms the basis for our organic foods of tomorrow and is therefore part of the value chain: organic right from the start.
- Organic breeding aims at the future: what is bred today will be on our plates in 10-15 years. That is why we must take responsibility today.

# Pool financing for sustainable organic breeding

## Players in the value chain



Committing at the point of sale e.g. 0.1-0.2% of organic turnover as engagement of as many market partners in the organic sector as possible

Cross-sector pool funding

**Bio right from the start  
Breeding Investment Fund  
Engagement.BioBreeding**

Monitoring by independent body

Strategic control

Trade, processors, producers, associations, BÖLW, breeding funds

Operational control

Lean administration

Advisory body

Organic breeders, endorsers, researchers

- 1
  - Identifying the needs of the industry
  - Prioritisation & tendering
- 2
  - Review of offers according to transparent criteria
- 3
  - Investment in breeding programmes (personnel, infrastructure, training)
  - Review of milestones

