

**Plant License Task Force
Minutes from 8/21/06 Meeting
University of Minnesota, St. Paul Campus**

Present: Minnesota Apple Growers Association, Minnesota Association of Wheat Growers*, Minnesota Barley Growers Association*, Minnesota Corn Growers, Minnesota Farm Bureau Federation, Minnesota Fruit and Vegetable Growers Association, Minnesota Nursery and Landscape Association, Minnesota Soybean Growers Association, Minnesota Crop Improvement Association, Minnesota Department of Agriculture, University of Minnesota Office of Patents, Technology & Marketing, University of Minnesota Plant Breeders, The Minnesota Grown Program

* Joined by speaker phone

Absent: Minnesota Farmers Union,
Northern Minnesota Forge Turf Seed Advisory Committee

I. Approval of Minutes from Introductory Remarks:

- Will Anthony, Farm Bureau, proposed a change to the July 7 minutes to revise point five under Task Force Expectations to read, “Assuring that intellectual property policies are transparent and deliver maximum benefit to consumers/general public.”
- After discussion, Anthony moved that the minutes be approved as amended. John Jacobson, Minnesota Apple Growers Association, seconded the motion. The motion carried.

II. Updates on Information requested at July 7 meeting:

1. Bev Durgan, Task Force Chair and Director of the Minnesota Agricultural Experiment Station, presented information requested at the last meeting on the topics listed below. **(Durgan’s presentation is posted on the web site.)**

- Statistics on the releases and royalties from the U of M horticultural and agricultural breeding programs.
- A case study of a horticultural crop variety development and licensing process.
 - The example used was the MN 1914 apple
- A case study of an agricultural crop variety development and licensing process.
 - The example used was MN00261- Hard Red Spring Wheat
- Discussion afterward included these points:
 - Revenue from licensing and royalties does not cover the full cost of developing plant varieties.
 - Decisions about how a variety will be released are made on a case-by-case basis that takes into consideration the unique characteristics of the variety and the market.
 - Options for licensing varieties to Minnesota companies are explored first before looking at out-of-state companies.

2. Gary Beil, Executive Director of the Minnesota Crop Improvement Association (MCIA), discussed licensing models in other states. Key points included:

- Historically the classic model was that Experiment Stations developed varieties and those varieties were sold by certified seed growers.
 - This model was effective in releasing varieties, but did not generate royalties for the universities or for project support.
 - Since the early 90's, government funding has not been sufficient to pay for the cost of variety research and development and universities began to assess fees and royalties. The University of Minnesota was one of the first universities to do this, but nearly all land grant universities have some kind of fee or royalty attached to their releases.
 - Changes in the market place (increased product differentiation) and the science (distributing genes and not varieties) have contributed to this trend.

- There isn't a single model that applies to every university, but models used in the Upper Midwest include:
 - Public release through seed certification is a model used in many states, but the quantities moving through these programs is declining rapidly.
 - Many states have a research foundation. Wisconsin Agricultural Research Foundation is the most well known. North Dakota, South Dakota and Iowa also have foundations.
 - Tech marketing groups within the University. The U of M Patents Technology and Marketing (PTM) activity with horticulture varieties is an example of this.
 - Outsourcing of licensing to private group. Minnesota Crop Improvement Association (MCIA) activity with agronomic crops is an example of this. Other examples include Illinois Foundation Seeds Inc and Purdue's Agricultural Alumni Seed Improvement Association.

- There also isn't a standard model for input from growers and commodity groups. It depends on how the university and that states grower groups are organized.

III. Breakout Groups:

As decided at the last meeting, Task Force members divided into three groups to discuss the following topics—communication and involvement; access and preparing for the future. The breakout groups met, reported back to the group and key areas that emerged in each area were:

- **Communication and awareness:**
 - It is important that U of M policy is clear and these policies are clearly communicated via web sites and also to grower groups.
 - The U of M needs to communicate what is underway in plant variety development to increase awareness of future varieties.

- Producer representation on release committees and involvement in the release process is important.
- The U of M should proactively notify prospective partners for licenses to avoid appearance of cozy arrangements.

- **Access:**
 - When the U enters into exclusive agreements access for Minnesota direct market growers (direct to end consumer) and wholesale producers (restaurants, grocery stores, etc.) should be considered.
 - Future agreements—whenever possible—should provide access to direct market growers.
 - The U of M should be encouraged to look for licensees willing to work with Minnesota wholesale growers.

- **Preparing for the future:**
 - Real issue is - need for money to support research programs. Genomics & biotech will have an effect on funding for future programs going forward
 - The process currently in place needs to be re-examined and make choices because of limited funding to rank priorities for current crops, new crops, bio fuels. Factors to consider include return on investment, economic development, environmental considerations, importance to Minnesota consumers & producers.

Next steps:

- The group decided the ideas listed above should be reflected in the final report.
- A draft of that final report will be shared with Task Force members by Oct. 20.
- The Task Force will meet from 10 a.m. to 3 p.m. on Nov. 8 to discuss that draft and make final recommendations.