

THE UNIVERSITY OF MINNESOTA AGRICULTURAL EXPERIMENT STATION
VARIETY DEVELOPMENT FUND

The University of Minnesota Agricultural Experiment Station (MAES) has a strong variety development program and the State of Minnesota has a strong public seed enterprise. In recent years, there has been a decline in public support of university research in general and agricultural research in particular. Many Land-Grant Colleges have initiated programs to recover some of their investment made toward improving crop varieties. MAES has studied this situation and the various investment- recovery programs that have been initiated in several other states. MAES has established a Variety Development Fund (the Fund) for the primary purpose of providing support for agronomic crop variety development..

Essential components and conditions of the fund are:

1. The fund will be generated and maintained by a Variety Development Fee (the Fee) which will be collected as part of the sale price of Registered and Certified seed of all agronomic crop varieties developed and protected by MAES under the Plant Variety Protection Act.
2. Starting July 1, 1993, the Fee will be collected on all agronomic varieties protected by the MAES and released on or after February 15, 1993. The Fee will apply to all Certified and Registered seed sold, and to all Registered seed used for the production of Certified seed, whether planted by the producer or otherwise used for seed production.
3. The Fee by crop will be as follows:

Soybean	\$.50 per bushel
Wheat	\$.30 per bushel
Oats	\$.25 per bushel
Barley	\$.25 per bushel
Other crops	5 percent of the current sale price of the seed
4. For seed certified and sold in Minnesota, MCIA will collect the Fee and make payments to MAES each year after deducting 10% for collection costs.
5. For seed certified and sold in Minnesota, 20% of the net Fee will be provided to the Minnesota Crop Improvement Association to be used for promotion and advertising of public varieties.
6. For seed produced and sold outside Minnesota, the Fee will be the same as designated in point 3 (above). The seed certification agency that collects the Fee in each state or province will forward fifty percent (50%) of the Fee to MAES. The remaining 50 percent can be used

to cover collection costs, and for research and or promotion, with the exception that at least five percent (5%) of the amount remaining with the agency be designated for policing (see point 8). None of the Fee, or interest from the fee, may be rebated to producers or seedsmen, nor used to reduce fees for seed certification or other services. A separate written contract will be drafted with each participation state and province.

7. Foundation and registered seed of MAES varieties may be sold only to seed producers or their agents in states or provinces that have a written contract with MAES.
8. For seed sold in Minnesota, five percent (5%) of the net Fee will be designated for policing of illegal sales of protected seed; for seed sold outside Minnesota, five percent (5%) of the amount remaining with the collecting agency will be designated for policing. Specifics regarding policing and prosecution of violators are forthcoming and will be arranged by State and/or country.
9. Administration of the Fund will be the responsibility of the Director of the Minnesota Agricultural Experiment Station.
10. Under the guidance of the MAES Director, a board (the Board) will be established to recommend dispersal of proceeds from the Fund. The Board will be composed of seven people as follows: MAES Director; three representatives from among the Heads of the Departments of : Agronomy and Plant Genetics, Entomology, and Plant Pathology; one Research and Outreach Center Head; one representative each from MCIA to be designated by their board of directors. The MAES Director will select and appoint University representatives to the Board.
11. The Fund will be maintained as a quasi-endowment and will be financially managed by the University of Minnesota Foundation.
12. Proceeds from the Fund will be used primarily to fund the enterprise from which the revenues were obtained (i.e., the development of agronomic crop varieties certified by MCIA). Through consultation with industry leaders, leading researchers and MAES administration, the Board will determine priority areas for fund support. A primary use of funds will be for variety development and related activities. Up to 15 percent of available funds will be used at the discretion of the Director of MAES for activities that may not directly support variety development.
13. Proceeds from the Fund will not be available for direct individual compensation.