



**SACTA**

**SA CULTIVAR &  
TECNOLOGY  
AGENCY**

**SA WHEAT INDUSTRY**

**Andries Theron**

# Breeding & Technology levy – why?

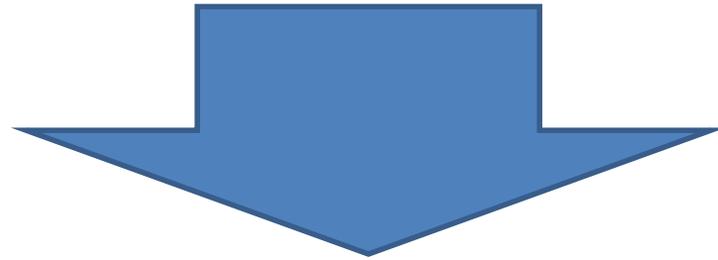
- Where do we come from?
- Why is the current model a problem?

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## 2 Major challenges currently

### 1. Yield vs Quality

SA has for too long concentrated too much on quality. Superior quality but fell behind with yield.



Income = Yield X Price

## 2 Major Challenges currently

### 2. Farm saved seed

- $\pm$  70% of wheat gets planted with farm saved seed;
- Takes approximately 12 years to bring a new cultivar to the market at great costs;
- Status quo in terms of funding for breeding is not sufficient and did not **YIELD** the needed results

# Working Solution

- In 2012 an alternative funding model for breeding was researched;
- Different countries use different models to fund breeding;
- Some do not allow farmers privilege; others use end point royalty systems;
- It was decided that for SA an end point royalty system would be the best solution – given we have a statutory measure system with a proven record

# Working solution

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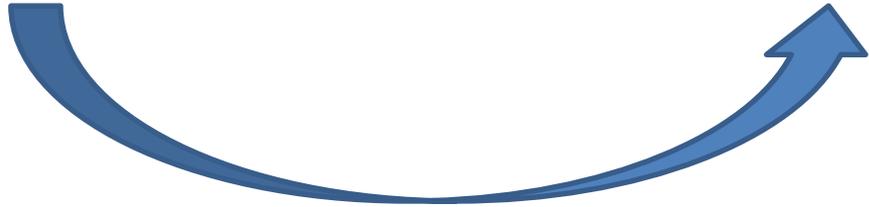
Farm  
saved  
seed

New  
seed  
sales



=

Farmers  
income



# SA Cultivar & Technology Agency

- **Creation of SACTA (NPC)**

1. SACTA was established to act as collection agent on behalf of the industry, by facilitating the process whereby a levy system, as provided by law, can be implemented for self-pollinated crops;
2. Distributing the levies to seed companies according to the predetermined market share.

- **Composition of SACTA Board**

**SANSOR**

Patrick Graham

John Odendal

**Agbiz**

Mariana Purnell

**Grain SA**

Andries Theron

Marinda Visser

**DAFF**

Not filled

**3 alternative board members can be appointed as needed**

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# Advantages of new system

- Sustainable funding model for breeders
- Performance would be rewarded
- Attracting competition to the market
- Seed price transparency
- More control with regards to cultivars coming to the market – according to market needs



**Thank You!**

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