

THE, EXTENSION OF OVERSEAS MARKETS FOR NEW ZEALAND CERTIFIED SEEDS.

E. Bruce Levy', Agrostologist, Department of Agriculture.

Introduction: Mr. Hadfield has pointed out that with regard to New Zealand certified ryegrass we have reached a point after four years' work when we as a body of agricultural advisers do not know whether to carry on and increase the production of that seed. Such a position, I claim, is intolerable as a climax to the development of a trade in certified seeds. The question is, how best can we extend our markets and open up new outlets for New Zealand certified seeds?

Need for some Guidance and Organisation of the Seed Industry:

The seed industry is one of the oldest in New Zealand. We have the climate to grow seed, and machinery to harvest and clean equal to any in the world. Nevertheless our seed history has been developed largely as a side line or catch crop and as a means of evening up seasonal production from grassland. As it stands at present the main consideration is the stock. If feed is plentiful part of the farm is shut up for seed: if feed is scarce no seed is saved. It is time that the seed industry as such became the prime consideration on many farms and that stock be regarded as an implement in the seed-growing industry rather than the prime crop of the farm. The seed crop represents a concentrated product equal to butter, cheese, lamb or wool, and when we consider the time necessary to take the crop, infinitely more valuable than these products. Big money has been spasmodically made in the past from seeds even under the haphazard methods of seed production that have ruled. I think it is safe to say that during the past three years the growing of certified seeds has paid better than wheat, wool, lamb, and butterfat. An industry to flourish and develop must have more or less regular and guaranteed supplies of goods to sell otherwise the good done in opening up of overseas markets will come to nought. Regularity and continuity of supplies in order to maintain a sound connection is the foundation stone on which the Meat Board and Dairy Board are building their respective industries. The overseas buyer must be able to rely on New Zealand as a regular supplier of graded, true-to-type seed. Organised growing of seed is then equally as essential as organised marketing.

Evidence from Abroad that the time is ripe for an impetus to Seed-growing in New Zealand.

In a recent enquiry at Home by the Imperial Economic Committee into the fostering of the production of Empire certified seeds, New Zealand was quoted time and time again as a potential seed-producing area of the Empire. The quality and type of New Zealand certified seeds was also acclaimed of special merit in evidence given at that enquiry. It has been pointed out at that enquiry, however, that New Zealand has good types of seed, and that bad and useless types are also produced in New Zealand. This has also been widely disseminated throughout Australia as a result of trials of New Zealand seeds there. A report recently received from Natal states that the New Zealand certified ryegrass is in the opinion of the writer the best available anywhere in the world. Trials by the U.S.A. Department of Agriculture give promise that New Zealand certified seeds are of value to large areas in America. Some thousands of samples of New Zealand certified seeds have been sent away for trial by the Department of Agriculture and the seed trade, but time has not allowed reliable reports on these to be received. Nevertheless a wide publicity throughout the Empire has of recent years been given to New Zealand certified seeds (and certification itself has made this advertisement largely possible), and the time is opportune for organised production and organised marketing of our seed products.

At this meeting we have represented producer and seller, interests. There is also represented a body of men who may claim to have the interests of both at heart because both these interests are fundamental to our national life. We as agricultural advisers foresee vast possibilities in making seed production second only to meat, wool, butter, and cheese. Two essentials however are necessary:

- (1) Organised production to ensure regularity and continuity of supplies. from year to year at a competitive price per bushel or per pound.
- (2) Organised marketing to ensure our seed products enter the arena of world markets. I am not confident of success, I am not prepared to advise producer or seller until these two important questions are grappled with seriously by the seed industry of New Zealand.

Some Suggestions for discussion, regarding Organisation of the Seed Industry:

No industry can organise, advertise, and colonise without expending money, any more than a large produce house can run a business efficiently without management expenses. A business without a head is chaos; an industry without some organising brains must also be to a large extent chaotic. We turn to New Zealand's other basic primary industries - we see butter and cheese organising under the direction of the Dairy Board, the meat industry organising under the Meat Board, wool is seeking for an organising head, fruit is organising under the Fruit Board, honey under the Honey Board, the poultry industry has recently set up a central committee of producer and exporter interests. Mr. Hadfield has pointed out that the seed industry is moving: Seed Growers' Associations are arising, and while these in the main are parochially minded, yet out of these we may see arise, coupled we hope with seller interests, - a strong central body that would function as the organising and co-ordinating brains of the industry. As it stands to-day we have in New Zealand the potential land, the potential climate, the potential seed-grower - and what phase of farming gives just that almost miserly delight as the golden seed industry - we have the potential avenues of trade, potential world markets, and yet to-day the Department of Agriculture does not know whether to advocate increased production or not in one of our main lines, viz., certified perennial ryegrass. Largely I think because the outlets opening into the overseas markets are blocked - our seed is not finding its way into the arena of world markets?

Sales of seed from New Zealand are made almost entirely on an f.o.b. or c.i.f. basis. Samples are sent overseas or descriptions cabled and we wait for orders,

I would like to show in the matter of butter and cheese how New Zealand would fare selling entirely on an f.o.b. or c.i.f. basis during the last 4 years. In 1928-29, a rising market with butter ranging from 161/- to 186/- the f.o.b. sales for butter were 34.7% and 65.3% was sold on consignment. In 1929-30 a year of falling prices - from 192/- to 140/-, only 16% of butter was sold f.o.b., and 84% sold on consignment. When the season for 1930-31 opened f.o.b. offers were entirely non-existent - 17% of the butter was sold f.o.b. for that year., In 1931-32, 17% was sold f.o.b., but from March to late in May no f.o.b. offers were available.

In the case of cheese in 1928-29, 19.33% was sold f.o.b. in 1929-30, 22.5% was sold f.o.b., and in 1930-31, a year of falling markets; 5% only was sold f.o.b., and 95% sold on consignment. In 1931-32, 12% was sold f.o.b. and 88% on consignment. These figures would suggest that if New Zealand relied on f.o.b. or c.i.f. Sales most of our butter and cheese in years of glut and depressed markets would be left in our stores, and I put forward as a suggestion that the same would be true of seeds without some marketing system that

will give entry to world markets irrespective of the state of those markets. Further it would appear - if daily newspapers can be taken as a guide - that f.o.b. and c.i.f. sales are an embarrassment to the dairy industry both in New Zealand and in Australia,

The advertising and extension of overseas markets in seeds presupposes a working fund and someone to administer that fund. This year (1933) the dairy industry intends, to spend £25,000 in advertising, and for this purpose that industry pays 1/32d. per lb. on butter exported and 1/64d. per lb. on cheese exported.

New Zealand certified seeds is a new industry. It covers an article that lends itself to good advertising, an article that I feel certain will not let our advertising down. Provided we keep the quality and grade of New Zealand certified seeds to a high standard the New Zealand strains are beyond reproach. They have no equal in the world markets to-day.

The most profitable means of extending markets by organising and advertising is beyond the scope of this paper, but I would suggest that the experiences of the Meat, Dairy and Fruit Boards would be drawn upon largely, and there is the possibility of co-ordinating a seed producer and seller organisation with theirs, certified seeds finding a place in their main exhibits and general propaganda work. Special displays in retail seed shops may from time to time be arranged. It would appear essential that New Zealand certified seeds have personal representation abroad wherever sales are deemed **expedient** and possible. Trials of New Zealand certified seeds should be conducted overseas along with those of other competing countries and the distribution of samples, suitably sealed and labelled, may be contemplated, such samples being sold at the ruling market rate for New Zealand certified seeds. Films may be made illustrating the industry from the time of seeding to final loading in the hold of the boat. In the matter of insurance, shipping freights, methods of loading and unloading, and where placed in the holds of ships should be investigated, and a fuller enquiry into deterioration of germination during transit is imperative.

Phases in industry building such as mentioned above are a national undertaking. No individual seed-merchant or producer is prepared to open markets for a competitor to reap the benefit nor to launch out in any large scale harvesting and shipping experiments that will pave the way for others to share ultimately in the business. The question also of continuity of seed supplies year by year is an essential piece of organisation. It is more than probable that New Zealand can compete in overseas markets in the matter of price only by a high per-acre yield and this would indicate that the first harvest crop should be largely exploited. This demands the sowing, somewhere in New Zealand, of new areas each year, particularly in the matter of ryegrass, and some organisation of the production of this crop may be highly advisable, particularly in view of the fact that drought conditions may rule out a whole district from sowing its regular quota of spring or autumn grass. A survey of New Zealand's seed-growing areas and resources would be part of an organised seed-production programme.

What the other New Zealand Pastoral Industries are doing:

I have mentioned that other New Zealand primary industries are helping themselves along the lines of improved production, improved quality, and improved marketing, and I would just like to refer briefly to what these Industries are doing.

(1) The Meat Industry:

In 1931-32 the meat industry by way of a levy on meat exported raised approximately £36,000 for the advertising and efficient marketing of meat products. This fund is administered by a Board elected largely by meat producers. Of this amount ..

approximately £17,000 was spent in displays, and advertising, and about £1,000 went in prize money and research grants. Approximately £3,000 is spent in supervising of grading and of loading and unloading and approximately £16,000 is spent in management, salaries, etc. The Board now has an accumulated fund of approximately £97,000 that can be used in any eventuality in the interests of the meat industry.

(2) The Dairy Industry:

In 1931-32 the dairy industry raised by way of a levy on butter and cheese exported approximately £41,000 for marketing and advertising its products. Of this amount approximately £19,000 was spent in displays and advertising (this coming year it has planned to spend 623,000 in advertising). In research and herd testing grants the industry finds approximately £9,000. For supervision and inspection of cargo, approximately £9,000 and the expenses of management in New Zealand and at Home are approximately £12,000.

(3) The Wool Industry :

A scheme for organising the wool industry is under contemplation and a levy of 3d. per bale on all wool produced has been approved by a representative gathering of wool-growers. This means an income of something like 68,000 that the wool industry will be spending in looking after its own interests. An administrative body is to be set up - no remuneration other than travelling expenses being allowed - the functions of which are: (1) To provide instruction to farmers, (2) Certification of sires, (3) Preparation and marketing of wool, (4) Enquiries re freights on wool, (5) To serve as a contact and liaison body between other wool organisations, (6) To foster and provide money for research in wool,

(4) The Fruit Industry:

The fruit industry in New Zealand is authorised to raise by way of a 'levy of 3d. per case' on fruit exported. In 1931-32 approximately £9,000 was raised for advertising and organisation of the fruit industry. During that year a levy of 1½d. per case was made.

(5) The Honey Industry:

This industry is under the management of a Board and raised by way of a levy of ½d. per lb. on honey exported, approximately £600 for the advertising and organisation.

(6) The Poultry Industry:

A central committee composed of producer and exporter interests, has recently been set up but details of ways and means of organising, etc., are not available,

Conclusion:

In conclusion I feel that if we work together and organise and advertise, New Zealand will appropriate world markets in certified seeds. Certified seeds the-world over is a growing popular fancy, and we have only to study fortune makers of the world to see that those millions have been made - albeit with much hard work and a genius for organisation - by catering cheaply and well to a growing public demand. Further, there is just the possibility that this inimitable grassland climate has produced strains that will serve as mother seed for the supply of herbage seeds for at least all temperate countries of the world, and this to my mind should be the ideal to aim for, i.e., to make New Zealand the elite mother seed producing country of the temperate world. Let "Organise, Advertise, and Colonise" be our certified seed motto.