

MEETING OF NEW ZEALAND GRASSLANDS ASSOCIATION.  
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ORGANISATION OF THE SEED TRADE FROM THE MERCHANTS' VIEWPOINT.

kg only twenty minutes is allowed for this paper, I propose to confine my attention to the wholesale. export trade only.

In the first place it is necessary to consider the separate placers in industry of:-

- A. The Departments of Agriculture and Scientific Research,
- B. The Merchant,
- C. The Farmer.

Although it is important that the three should work together in friendly co-operation,, it is essential **that** they should not overlap.

I consider the sphere of operations should be confined to the following:-

THE DEPARTMENTS.

The place in industry of the Scientific Research Department and the Agricultural Department is **that** of advisors and not controllers. They should carry out research work and supply the information gained to the interested parties.

THE MERCHANT.

The place in industry of the merchant is:-

- (a) To find outlets,
- (b) To ascertain the requirements of buyers both locally and abroad,
- (c) To advise growers the class of goods which are in demand by buyers.,
- (d) To confer with the Department and farmers in technical matters concerning the growing of such goods,,
- (e) To market and distribute goods in the best and most, efficient manner.

THE FARMER.

The place of the farmer in industry is:-

- (a) To grow and harvest produce for which there is a demand, and which is most suitable to his class of land, and will give the best combination of yield and quality, thus securing the highest

financial return.

- (b) To obtain advice from the merchant as to the class of goods for which a ready sale may be expected.
- (c) To obtain advice from the Scientific Research Department, and the Department of Agriculture regarding the best methods of producing such goods.

As Mr. Hadfield rightly pointed out - the Seed Trade's methods and ramifications have been established only after years of practical business experience. The export trade is a specialised industry in which long experience and training is necessary to acquire efficiency.

Merchants keep in constant touch with new developments and requirements of the trade, and any alterations or improvements in methods of trading can only be made by experts in the selling end of that business.

Merchants are fully alive to the benefits to be derived from the development of an export trade, and having made a special study of this phase of the business, it can safely be left in their hands,

The class of seed being handled by the seed merchant is of a high standard, and this has been achieved by voluntary co-operation between merchants and growers.

The volume of seed exported will always show fluctuations according to the yield of crops in other countries, and the requirements of buyers, and is not necessarily an indication of unstable production or unskilled marketing.

Price is the determining factor in the export business, and this is shown very clearly in the Cowgrass and Cocksfoot markets over the past few years. New Zealand used to export large quantities of Cocksfoot but when Europe produced at a price with which we could not compete, our export fell away greatly.

'Australia has turned away from New Zealand to Europe for Ryegrass, Cocksfoot and Clovers, simply because our prices have been above world parity. In many lines, Europe has been able to land machine dressed seed in New Zealand at a price at which our growers

would refuse to sell undressed seed.

Unless a buyer is fully conversant with the quality of the goods offered to him, and the benefits to be obtained by a farmer in using them, it is necessary that the selling merchant should be in a position to describe to the buyer the quality of the goods he is offering, the purpose for which they can be used, and the benefits of that particular strain over any other.

Some varieties may be superior to others for certain purposes and inferior for other uses, and this is where the Department could be of assistance, as I will show later on.

Some varieties may be good in one country and bad in another.

Briefly, the merchant seller of seeds should be able to describe his wares just the same as the seller of a motor car describes the quality of the car he is selling, and what it can do,

We now come to consideration of the papers which have been read this evening.

Boiled down; the suggestions really mean that a Control Board should be set up on the assumption that (number of Boards which were cited, have been a success) whereas every business man knows to the contrary, as in the very nature of things they must be,

Mr. Levy questions the wisdom of the custom of selling seeds, on an f.o.b. or c.i.f. basis, and advocates consignments instead, citing as an example, figures from the Dairy Industry, which prove conclusively that the bigger the proportion of our exports which are consigned, the smaller is the price realised, and this is only natural and in accordance with the law of supply and demand. But Mr. Levy, in advocating consignments instead of f.o.b. or c.i.f. sales, has drawn the wrong conclusions from his own figures. My experience, and that of every merchant that I have ever met, is that consignments are disastrous.

Mr. Hadfield attributes the establishment of Seed Growers' Associations to dissatisfaction, but then who is satisfied at the present moment?

The primary object of such Associations and Boards is to get more money for the people they represent,. They ultimately attempt to control prices, thereby causing their downfall.

Mr. Levy criticises the present method of developing the seed industry largely as a side line or catch crop etc., and deplores the main consideration of grasses being for stock feed. Of course the main consideration of grass must be for stock feed, for what farmer can grow a seed crop economically except as a catch crop. Anyone with a knowledge of farming must know that it is most uneconomical to do it in any other way.

It is impossible to tell sometimes to within three weeks or even a fortnight of harvesting, whether one can secure a crop or will have to use it as feed, This is specially so in White Clover. One can never tell until the last moment. It depends upon a variety of factors, the chief of which is the weather, its influence upon that crop in particular, the sufficiency or insufficiency of feed on his other pastures to carry the farm live stock. Any farmer will support me in this, and I am certain Professor Alexander will.

In the third paragraph of Mr. Levy's paper he refers to the evidence from abroad to the effect that the time is ripe for placing New Zealand seeds in the English market, and that New Zealand has good types of seed, while bad and useless types are also produced in New Zealand, but we have no evidence - at least what I call evidence - that some are better than others.

As time will not permit of discussion on all seeds, let us take as an example, one in which there is over-production - i.e., Hawkes Bay Ryegrass, of which I have had some actual experience on our own farms.

I do not wish to be misunderstood in using Hawkes Bay Ryegrass as an example, because the principle underlying my remarks can be applied to any grasses or clovers.

I give Mr. Levy every credit for the very valuable work he has done in eliminating the lower strains of all grasses and clovers - and Perennial Ryegrass in particular - but it is in the higher strains that more work needs to be done, in order to prove definitely in figures - not in opinions - that certain strains for certain localities are better than others.

Opinions are not of much assistance to a merchant in selling goods on outside markets. He must be able to produce comparative

figures and prove beyond all shadow of doubt that one strain is better than another,

I am not criticising the work that has been done, but I do combat any suggestion that that work is' final. I say further research work must be done.

Some-bad types of course can be easily detected on a visual survey, but when it comes to the higher types of Hawkes Bay and Canterbury Perennial Ryegrasses, then there is no evidence to lay before a prospective buyer. We have only opinions to give. Visual observations may be very misleading. The only true test is whether one variety will produce more mutton and wool, or beef and milk than its competitor, :

We have laid down paddocks of pure Hawkes-Bay Ryegrass, on our own farms. Our experience has been that sheep and lambs which thrive well on Canterbury Perennial in adjoining paddocks go back in condition when grazed on the Hawkes Bay product, and one hears that complaint from farmers all round. Whether this is due to the peculiar season this year, whether it will continue, or whether the Hawkes Bay type will improve after being in Canterbury for a few seasons one cannot tell. I am trying to keep an open mind on the subject, but I certainly do not intend sowing any more Hawkes Bay Ryegrass on our farms until we have some definite information on the subject, and this is where t'he Department might be of some use.

We need trials carried out with different strains of grasses in various localities in New Zealand, and possibly in England to ascertain which is most suitable for given localities and which will produce the most mutton and wool, or beef and milk, in those districts, Until that is done, it is useless to try and put on the market a product, the benefits concerning which there is so much difference of opinion, We may easily have thousands of acres of Canterbury land under pastures which will not fatten our sheep and the seed of which consequently we shall be unable to sell.

We know that Hawkes Bay Perennial Ryegrass is more unpalatable than Canterbury Perennial or' Canterbury Italian,

Upon harvesting for seed purposes, some .of the. above grasses on

our own farms, I noticed that the sheep which had free access to stacks which were all cut on the same day and harvested under the same conditions, did not touch the Hawkes Bay stacks, The straw of the latter was tough and harsh to the touch, whilst the sheep ate freely of the less harsh Canterbury Perennial. and softer Canterbury Italian,

With a view to securing some information on the subject, I obtained an analysis of the various straws with the following result: -

The following is an analysis of the above:-

|                                  | <u>Canterbury<br/>Italian</u> | <u>Canterbury<br/>Perennial</u> | <u>Hawkes<br/>Bay</u> |
|----------------------------------|-------------------------------|---------------------------------|-----------------------|
| <u>M o i s t u r e</u>           | 13.30%                        | 12.98%                          | 12.66%                |
| <u>Ash:</u>                      | 3.86%                         | 3.53%                           | 9.13%                 |
| % of silica as sand in<br>Ash    | 8.8%                          | 3.16%                           | 18.96%                |
| % of silica as soluble<br>in Ash | 24.56%                        | 21.24%                          | 28.78%                |
| % total silica in Ash,           | 33.36%                        | 30.40%                          | 47.74%                |

Note that Italian and Canterbury Perennial are rather similar in this analysis and that the Ash content and silica percentage do not offer a solution to the difference between the two grasses,

When however, these constants are compared with those for Hawkes Bay, they do provide a plausible reason for not only the difference in feel, but also for the sheep's apparent dislike for this Hawkes Bay,

Note the difference in Ash, over  $2\frac{1}{2}$  times as much in Hawkes Bay as in the others. Moreover note the silica content of the respective ashes, Twice as much silica (sand) in the Hawkes Bay ash as in that of the others, while the total silica content in the Hawkes Bay is between 14 and 17% higher than that in the ash of the other two grasses.

To my mind, and possibly the sheep think likewise, sand is not a particularly appetizing substance. Not only does it lack in palatability but also the large percentage of soluble silica (considering the difference in the total ashes) may have a direct upsetting effect upon the digestive system of sheep not used to such feed,

These data only confirm our past opinion of Hawkes Bay, i.e., that it is a semi arid plant - semi arid plants have the tendency towards a high silica content.

I shall not attempt to interpret the Analysis further than to say, The Analysis shows a considerable difference between Hawkes Bay

and Canterbury Perennial, and consequently the need for further investigation.

Whether the palatability may improve in the South Island in time - whether a mixture of Canterbury and Hawkes Bay could be used to advantage, nothing but definite research will ascertain.

The plant suitable for one country, or even one locality is not always suitable for another. I have been told that Hawkes Bay Ryegrass has proved unsatisfactory in the Sandon District, not far from Palmerston North, and I know by actual experience and tests carried out that the best South Australian barley is almost useless when reproduced in Canterbury, whilst Canterbury's best variety is useless in South Australia, yet one of the worst Australian types does quite well here in certain localities,

I have data to prove that some strains of grain in certain localities within fifty miles of Christchurch do well, whilst in other localities within that same belt, other varieties give better results. From this you will gather that I am of the opinion that it is dangerous and may do New Zealand infinite harm, to attempt to put on the English market, strains which have not been proved suitable for England, and which have not been groved more suitable than others even in New Zealand. This evidence we must have before we put goods on a market, and this being the day of specialists, is the Department's job, whilst the organisation of the selling end is the merchants.

Dr. Beaven, one of the greatest plant breeders in England, in referring to the raising of pure lines of seed for use in another country, states:- "It is more luck than judgment for you can never tell until you try, whether any race will live and prosper in a different environment from that in which it was reared."

An English farmer will not accept the bare statement that our Ryegrass or other seed, is better than their local product, and although some Canterbury farmers accepted the Department's assurance and laid down some pastures in Hawkes Bay Ryegrass, it was mainly because of the prospects of realising a high price for the seed thereof.

As an instance of how visual judgment may lead one astray, many Canterbury farmers laid down half a paddock with Hawkes Bay Ryegrass and the remainder with Canterbury, The latter being the more palatable was eaten bare, and the Hawkes Bay neglected,, Then people said: "Look at the fine sward of Hawkes Bay Ryegrass", but many farmers failed to observe that the sheep had not been grazing on the Hawkes Bay portion,

Claims have been made that sheep will fatten, on Hawkes Bay Ryegrass if given nothing else, and that they do so in Hawkes Bay, but our experience so far does not support this contention,

I understand that the Hawkes Bay strains when sown in Canterbury, produce twice or three times as much seed as when harvested in Hawkes Bay. Does this not raise the question of whether, when sowing down a pasture up North, Ryegrass is not a smaller proportion of the pasture mixture than is used down here, and if so, does it not raise the possibility that the other grasses in the mixture are chiefly responsible for carrying the stock?

There is another very important point in the export trade that has not been sufficiently realised, which places the production of seeds for export in quite a different category from the bulk of our exports, I divide exports under two headings:-

- (1) Exports for consumption, such as butter, meat, wool, etc,
- (2) Exports for re-production of their species, such as seeds,

The goods exported for consumption are used and disappear, but it is a very different thing with goods which reproduce their species. While there may be a certain demand within limitations for the sowing down of grasslands to be used for feed purposes, the moment we exceed that required quantity and induce growers in other lands to use more of our seeds than they require to produce grass. for grazing purposes, they in turn will produce seed from that surplus area so that beyond a certain point, the more we export the quicker we'destroy our market, Very few people seem to realise the difference between exporting for consumption and exporting for re-production, and I think it is as well to point out the significance of it to you,

Let us take an example nearer home - Hawkes Bay Ryegrass for instance. Prior to certification there was quite a good demand for a limited trade, which was just about equal to the production, and the growers were getting a very nice price. Then the benefits of Hawkes Bay Ryegrass were boomed, It was sown for re-production in Canterbury and the seed has been over produced.

We must recognise that Europe can produce Ryegrass and Clovers in vast quantities and the only chance we have of selling there is when they have a failure.

Only one good opportunity for export of Ryegrass has occurred in thirty years, and then the European crop was a bad failure, and we had the largest crop on record, and-at the lowest price on record.

Now, no one can accuse me of being antagonistic to research work as you all know that I am a great supporter of such work, but my business experience has taught me that to apply new discoveries to any business, all the facts concerning them must be proven.

Finally, I believe if merchants, farmers and the Departments confined themselves to the place in industry to which I consider they belong, and do not attempt to overstep those bounds, but proceed diligently to pay their whole attention to the problems contained therein, and with co-operation and consultation between those various sections, we shall make some headway, Departure from this, I am certain, will lead to chaos and disaster.

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