

FINAL REPORT FOR AHDB PROJECT F08 029/74604

Strategy for NIAB Recommended Grass and Clover List

Background

The Recommended List of Herbage Varieties for England & Wales is a system of independent comparative variety trials which identifies the best grass and clover varieties for livestock farmers in the UK. Choosing the best varieties to go into mixtures means better on farm yields, profitability and competitiveness for the UK industry as a whole. The Recommended List also provides valuable independent data for the merchants who are creating and selling seed mixtures to farmers, drives continued variety improvement by plant breeders and maintains UK based plant breeding, trialling and testing expertise. Choosing the highest yielding varieties from the Recommended List for silage mixtures can mean as much as £110 to £200/ha additional financial benefit to the farmer, compared with using the lower yielding varieties on the List.

The current RL is based on trials at three test sites operated by NIAB in Devon, Shropshire and N. Yorkshire. Trials are conducted on perennial ryegrass, Italian and hybrid ryegrass, Timothy, cocksfoot and white and red clover varieties. Characters measured are annual yield, simulated grazing management yield, conservation management yield, aftermath digestibility, ground cover, winter hardiness and disease resistance. The Recommended List trials are combined with statutory National List variety registration trials and run to the same protocols. Only the varieties that perform best in National List trials are selected to be sown in Recommended List trials and only the best of those go onto be recommended. Only around one third of the varieties that can be marketed legally in England & Wales are recommended.

In 2009, at the start of this project, the RL was financed by plant breeders, who paid 100% of the cost of trialling varieties in the National List years, and by a voluntary levy on retail sales of herbage seed to support the RL years. BSPB collected the levy through an agreement with participating merchants and contracted NIAB to carry out the trials, quality testing, data analysis and decision making.

Income had declined over the 5 years in which BSPB was collecting the levy, reflecting a fall in the volume of herbage seed sales on which levy was being paid. The scheme faced financial crisis and its future was in serious doubt.

A rescue plan was proposed, intended to bring the scheme back into balance financially within three years. The plan involved a staged increase in the levy over three years, the introduction of a new annual subscription for breeders with varieties on the RL and stronger promotion of the RL, emphasising the importance of buying seed from merchants with access to the RL data, to encourage broader participation from the retail trade. The objective was to try to reach a point at which participation in the levy scheme became the industry norm and non-participation was the exception rather than the rule. Additional short term funding from AHDB was agreed under this project to make up the shortfall and allow the RL to continue while the scheme returned to being self-financing.

Activity and results

A Herbage Varieties Guide Advisory Group was established, chaired by Mary Vickers from EBLEX and with representation from levy paying merchants, NFU, Dairy Co, NIAB, plant breeders, BGS and BSPB. The Group met every six months and gave guidance on the scheme finances, communications initiatives and protocols for tests and trials.

The scheme was successfully returned to self-financing through staged levy increases, the introduction of a new subscription for breeders with varieties on the RL, one-off contributions from NFU and HCC and the support from AHDB through this project. The Advisory Group set a target of building a reserve of 75% of one year's operating cost. The outcome and forward projection at Figure 1 below, shows that the scheme has achieved this, helped by significantly higher than anticipated seed sales in 2010. Five additional merchants joined the scheme during the period of this grant.

Figure 1.

Herbage Recommended Lists Balance Sheet								
	2007	2008	2009	2010	2011	2012.00	2013.00	2014.00
Levy rate p/kg	2.6	2.6	3.2	3.5	3.62	3.73	3.84	3.96
Income								
Lewy	96,481.30	91,049.41	139,373.76	170,779.00	135,000.00	139,196.10	143,371.98	147,673.14
NFU	0.00	0.00	5,000.00					
AHDB	0.00	0.00	20,000.00	10,000.00	5,000.00			
HCC	0.00	0.00	5,000.00					
Breeders subs	1,000.00	1,250.00	21,760.00	21,960.00	21,500.00	22,145.00	22,809.35	23,493.63
Surplus carried forward				55,748.68	113,487.68	124,987.68	131,828.78	138,875.10
Total	97,481.30	92,299.41	191,133.76	258,487.68	274,987.68	286,328.78	298,010.10	310,041.87
Direct cost of the RL	116,246.05	122,375.38	135,385.08	145,000.00	150,000.00	154,500.00	159,135.00	163,909.05
Balance	-18,764.75	-30,075.97	55,748.68	113,487.68	124,987.68	131,828.78	138,875.10	146,132.82
% of 1 year cost			41.2	78.3	83.3	85.3	87.3	89.2
Assumptions								
Lewy increased by 3% inflation pa								
NIAB charges increased by 3% inflation pa								
Tonnage on which levy collected 5 year average minus 10%								
Breeders subscriptions increased by 3% inflation								

A key objective for the Advisory Group has been to raise the profile of the scheme, in particular with farmers, to encourage them to improve their productivity by growing better grass varieties and to buy their seed from merchants participating in the levy scheme, thereby promoting the scheme and encouraging merchants to join. The main vehicle for this was a new RL booklet targeted at farmers, including the RLs with the data thought most valuable to farmers. The expertise and in kind support of Dairy Co and EBLEX staff and of Jessica Buss from BGS contributed greatly to the production of a farmer friendly booklet, funded from the sale of advertising. Distribution through Dairy Co, EBLEX, BGS, BSPB and the merchant trade reached around 50,000 copies in the final year of the project which meant that information about the RL was probably reaching all relevant farmers. Anecdotal evidence from those distributing the booklet at meetings and other events was that it was very well received and a valuable tool for increasing farmer awareness of the RL. The

booklet has also gone into colleges, thereby drawing the importance of using the best varieties to the attention of the next generation.

The RL and the levy scheme were also promoted to farmers and the trade at well-attended re-seeding days organised by BGS and AHDB at Harper Adams in 2010 and at Duchy College in 2011. Presentations were given on the RL and the benefits of using recommended varieties and levy payers had trade stands promoting their own companies and the RL at both.

NIAB hosted levy payer demonstration days at RL trial sites and the RL was also promoted by AHDB, BGS, NIAB, breeders and merchants at the major grassland events including Grasslands & Muck and the Dairy Event and in the press. All of this has raised awareness and also helped farmers and merchants to understand the value of the list, how to use it and the benefits of growing recommended varieties.

The advisory group has allowed the RL to be run as a true cross industry initiative with participation from all the key players and ensured that the List and the testing system are relevant to the industry and that the results reach it.

The Future

At the start of 2011, the future looked positive for the scheme. The objectives set out in the business plan given originally to AHDB had been met and the scheme had been restored to self-financing. The parties involved in the project had agreed to continue to work together through an advisory group to continue to ensure cross industry input into the RL and to promote it.

However, a number of important levy paying merchants had become increasingly concerned that the system for financing the RL through a voluntary levy on retail sales was unfair, as several large retail merchants were not participating and the strategy devised by the advisory group of raising the profile of the scheme in order to draw other participants into it had not worked as hoped. Despite having been consulted and having the opportunity to participate in the discussions through the advisory group, they were also unhappy that a significant amount of RL data (though not the whole data set) had been made available directly to farmers as part of that strategy and they no longer perceived a tangible benefit to them from their participation in the scheme.

This group of 5 merchants, accounting for around £45,000 of levy payments annually, gave notice in summer 2011 of their intention to resign from the scheme if there were no changes to make participation mandatory and inclusive. A 6-month review period was agreed during which time BSPB would talk with AHDB and other interested parties to review the RL and its funding arrangements and make proposals for the future.

BSPB has appointed a consultant, Dr Jim McVittie to undertake this review and he is due to report at the end of October 2011.

Summary

Funding from AHDB through this 3 year project has:

- allowed the Recommended List of herbage varieties for England & Wales to continue and return to being self-financing;
- delivered RL information and important messages about the importance of variety choice when re-seeding to the livestock farming industry;
- raised the profile of the RL and the levy scheme with farmers and merchants;
- brought all sectors of the industry together to review and manage the RL, ensure its relevance and increase its dissemination and usefulness to growers.

Regrettably the strategy for increased promotion and visibility of the scheme did not achieve its objective of drawing in the major non-participating merchants during the three years of the project and a further review is now underway. The collaboration between AHDB, BSPB and other interested parties has however grown stronger during the course of the project and the review that has become necessary offers opportunities to further modify and adapt the RL to meet the needs of all its users and strengthen it both technically and financially going into the future. This and the production and dissemination of the RL 2009, 2010 and 2011 would not have been possible without the support of AHDB.

BSPB thanks Dairy Co and EBLEX for their support for this project, which has allowed the Recommended List to continue, has raised the profile of the RL, has delivered to Dairy Co and EBLEX levy payers important information about the improvements in productivity that can be made by choosing the best recommended varieties to sow in seed mixtures and has laid the ground work for further collaboration to secure a positive future for independent herbage variety testing for England & Wales.