

Forage Seed Industry Tour to Eastern Europe

May 27 - June 5, 1999

Submitted by Ken Nickel

Details:

Don Pederson attended the International Herbage Seed Researchers Group workshop in Italy the week of May 24 - 28. I joined Don and 3 others from Canada on the 28th in Vienna and we then toured the Czech Republic, Slovakia, and Hungary from May 29th to June 4th. Tour participants were Dr. Bruce Coulman (Ag Canada grass seed breeder), Henry Najda (grass seed researcher with Alberta Agric.), Gerald Huebner (MB Agriculture specialist), Don and myself. We were also accompanied most of the time by a field person from a Dutch seed company (Barenbrug).

Observations:

We visited many former collective state farms that were now privatized. Some were operating as Ltd. Companies and others as cooperatives. One farm was still a state owned farm with government salaried staff. These farms had a lot of land, equipment and labor resources. They seem to be struggling with the same problems most Canadian farms face of how to produce something that will pay the increasing input costs and still leave some profit for the owners. They operate in an unsubsidized marketplace and are finding it very difficult to make ends meet with the current low world prices. They are also looking for new crops to grow that will return more. With their large fields and massive irrigation potential, these farms are quite attractive partners for western European companies with capital, technical know-how, and production constraints at home. Hungary alone has gone from almost no grass seed production for western companies to more than 20,000 acres in just the last three years.

We also visited three plant breeding institutes, two private and one public. They were doing some excellent work and were looking for partners to take their material into the international marketplace. Their objective, of course, was royalty revenue. Dr. Coulman will be working with several of these breeders on genetic material exchanges that could benefit both them and us.

We got a first-hand look at their processing facilities and were struck by how crude most of it was. These plants were built to process massive amounts of one product and there is almost no hope of them doing small lots of high quality seed and not contaminating them. If western companies invest in processing plants it will be a definite indication that they are looking east for their future seed needs. If they don't invest then they will be continuing to use the eastern countries just for their large scale, low value seed increases (possibly competing with our common fescue on the world market). It would appear they

are a good five years away from competing for the high-end markets even if that is the objective.

Opportunities

We saw evidence that they want to greatly increase their alfalfa seed production in these countries but they lack production knowledge. They do not use pollinators and do not seem to appreciate how much they could help boost their seed yields. Working through the university in Budapest our group committed itself to helping demonstrate the value of leaf-cutter bees in alfalfa seed production. This University is the main means of getting new production information out to the end-user. There is a potentially large market for Canadian leaf-cutter bees in this part of the world.

We also recognized that they have some grass varieties that we need to look at under Canadian conditions. They have an orchardgrass, for instance, with exceptional winter-hardiness that we should test or at least include in our breeding programs.

We recognized that the political and business environment of these countries will determine to a large extent how successfully these countries will compete against us, both in the high quality European market and in the lower quality filler market in the U.S. At this point we have an advantage in both but we'll need to be more efficient in our production for both markets if we intend to stay ahead.

Summary

Don and I learned much about the international grass seed industry on this tour. This background industry will serve us well as we work with our Association to prepare our industry for the future. We are even more convinced that projects, such as the stem eyespot resistance for creeping red fescue, are essential if we are to maintain our market share in the face of new emerging export regions of the world. We also saw opportunities for further work in plant breeding to increase the number of grass seed species we could successfully grow in the Peace.

It was a most worthwhile trip and we thank you for your financial support!