

# Governance and financing strategies in Organic Breeding

## Problem

Organic breeding is the basis for a self-determined, independent organic agriculture sector in Europe. It develops cultivars and breeds suitable to the principles and conditions of organic farming and secures the integrity of future product supply and the livelihood of future generations. It respects the intrinsic value of our crops and farm animals, promotes participatory and fair governance and ultimately provides economic and social benefits along the food system. Currently, the financing of organic breeding is insufficient and fragmented. As a result, the limited facilities available hamper the efficient breeding activities needed to cover the demand of farmers, processors and consumers. A solid and sustainable financing basis for organic breeding is needed, with shared responsibilities along the value chain.

## Current situation

- Breeding is a long-term and continuous process. It takes at least 10 to 15 years (depending on crop or animal species) before a new cultivar/breed can be put on the market. Also, climate change, new pest and diseases require constant adaptation.
- In the present system, farmers provide the main source of financing for new cultivars and breeds in form of royalties, voluntary breeding fee or purchase of reproductive material (e.g. seeds, hatching eggs, etc.). While this works for mainstream crops and animal species, this covers only a small proportion of the total cost of organic breeding as the market share is too small.
- Funding of organic breeding is uncertain and limited in time, often targeted to research and not basic breeding. Organic breeders invest large amount of time in fund raising. The annual income fluctuates greatly. This allows only short-term engagement of personnel and infrastructure as long-term financial security is missing.

## Key success factors

- Awareness raising on the need of organic breeding to become fit for the future
- Link breeding targets to a wider vision for food systems transformation
- Link up of breeding with processors and consumers
- Provide proof of added value of organic breeding for organic value chain
- Diversify funding sources
- Join forces to achieve greater impact



## Recommendations

### Awareness raising and targeted communication are key for promoting organic breeding

- ✔ Create awareness of why organic breeding is important for the success and upscaling of the organic sector
- ✔ Nurture the link with consumers and the value chain through a strong communication concept
- ✔ Engage citizens as beneficiaries of the social benefits of organic breeding
- ✔ Give visibility to the hidden value of public goods and services provided by organic breeding
- ✔ Promote organic breeding in general (e.g. using the bioverita label for plant varieties) rather than focusing on single cultivars / breeds.

### Frame organic breeding in a long-term vision of food systems transformation supported by society

- ✔ Valuing citizens' concerns and the role of society to foster the transformation towards sustainable and climate neutral food systems for future generations and through the choice of breeding targets and breeding methods
- ✔ Address the aspects of: human, animal, plant and environmental health; respectful and fair governance; conservation and use of biodiversity; ecological and societal resilience through systems-based breeding
- ✔ Anticipate future trends (e.g. more plant-based diets), nutritional quality and flavor
- ✔ Strengthen participation, transparency, freedom of choice and fair trading
- ✔ Keep in mind the social and cultural aspects of breeding, importance of food sovereignty, and the relationship between humans and farm animals

### Extensive knowledge of value chain requirements in planning breeding objectives

- ✔ Invest in personal relationship with value chain partners and integrate their knowledge in breeding activities
- ✔ Focus on taste, nutritional values and food processing properties
- ✔ Use exemplary cases to demonstrate the profitability and competitiveness of cultivars for processors and producers

### Increase credibility and efficiency of organic breeding

- ✔ Demonstrate the efforts and professionalism of the breeding network to the organic sector (e.g. cost – benefit analysis) to reach out to more partners
- ✔ Invest additional resources to overcome technical bottlenecks in organic breeding (e.g. seed quality) and to reach a competitive level of infrastructure
- ✔ Invest in training for actors in theoretical and practical organic breeding



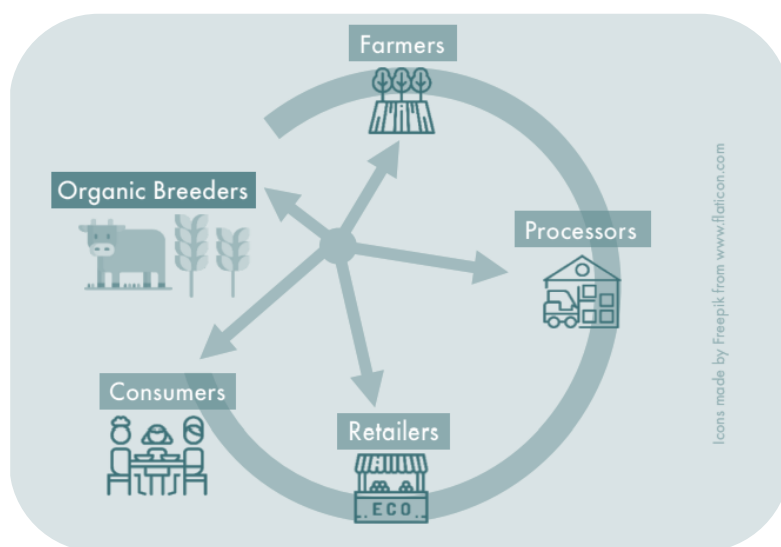
## A diversity of funding sources leads to a resilient funding strategy

| Financing source                 | Type of financial contribution (examples)                                                             | Motivation for financing organic breeding                                                                                                                                                    |
|----------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Farmers</b>                   | Purchase of reproductive material, royalties, subscriptions, other participation strategies           | Locally adapted and resilient cultivars and breeds, independence from multinational organisations, possibility of farms saved seed                                                           |
| <b>Food processors</b>           | Targeted support for a defined breeding goal (bilateral interaction food processor – breeder)         | Improved product quality, more efficient processing                                                                                                                                          |
| <b>Retailers</b>                 | Individual contribution based on annual profit                                                        | Safeguarding integrity and upscaling of value chain                                                                                                                                          |
| <b>Consumers</b>                 | Premium price at point of sale (as for the '1 cent initiative') to support breeding                   | High quality, tasty, regional and GMO-free food products, support of organic agricultural sector                                                                                             |
| <b>Private NGOs, Foundations</b> | Annual funding based on breeding goals and methods                                                    | Foster organic breeding and agriculture, open source seed, promotion of agrobiodiversity, GMO free food                                                                                      |
| <b>Public donors</b>             | Tender for specific crops and breeding goals                                                          | Improved food sovereignty, foster neglected crops and agrobiodiversity, upscaling the organic sector                                                                                         |
| <b>Research donors</b>           | Call for competitive project proposals by government, private donors or non-profit stakeholders       | Tackling knowledge gaps, developing new breeding tools and approaches in order to improve breeding efficiency. Resources for innovation should not compete with those for practical breeding |
| <b>Public-private co-funding</b> | Private sector investment to leverage public funding                                                  | Supporting and upscaling the organic sector, transition towards sustainable climate neutral food systems                                                                                     |
| <b>Cross-sector pool-funding</b> | 1-2 per mille of turnover at point of sale is provided to organic breeding initiatives (pool funding) | Joint forces to support integrity of organic sector and upscaling                                                                                                                            |
| <b>Green investment</b>          | Bank provides credit without interest rate                                                            | Investment into the organic sector                                                                                                                                                           |
| <b>Crowd funding</b>             | Collect money for breeding project or infrastructure via crowd platforms                              | Support local value chain, GMO-free, independent breeding                                                                                                                                    |

## Join forces to achieve greater impact

- Enhance the network with other organic breeding initiatives at national and European level to speak with one voice to different stakeholders and policy makers
- Organize joint actions to raise awareness on the importance of organic breeding, e.g. invite stakeholder and policy maker to visit organic plant and animal breeding stations and to specific workshops
- Join forces for marketing of organic cultivars and breeds
- Try to mobilize co-funding (e.g. public-private co-funding; pool funding of value chain partners; promote an EU task force)

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 Publisher: Research Institute of Organic Agriculture FiBL  
 Date: February 2023



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