



How FSS royalties are collected: Lithuania

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Lithuanian Seed Association

Founded in 1991

The main activities

- To represent, protect and support the professional interests of seed producers
- To systematically analyze the situation in seed business area
- To discuss problems with Ministry of Agriculture, State Plant Service and other responsible institutions and propose possible solutions
- To develop the intercommunication among the Association members
- To collaborate with organizations of seed growers and producers in neighbouring countries
- **With plant breeders' authorization, the Association is responsible for management and collection of farm saved seed remuneration fee.**

The members of Lithuanian Seed Association

Plant breeders	3
Scientific organizations, involved in seed production	3
Seed companies and breeders' representatives	10
Farmers - seed producers	2
Agricultural enterprises and farmers – raw material growers for seed companies	17
Other companies	3
Total	38

FSS remuneration processing practice

- Lithuanian association of seed producers is responsible for collection of FSS remuneration fee;
- Remuneration fee is negotiated in Agricultural Chamber with farmers' societies;
- Association has authorization from plant breeders;
- Association has the permission from State Data Protection Directorate;
- Farmers declare varieties grown on their domain during declaration time, in according with order of Minister of Agriculture;
- Association sends letters and invoices to growers;
- Growers transfer payment to Association;
- Association distributes money to breeders/representatives

Administration costs: ~ 4.5-5.0% from collected money

Remuneration fee, EUR per 1ha, without VAT

Year	Cereals	Rapeseed	Potatoes
2012	8 Lt	18 Lt	70 Lt
2013	9 Lt (2,60 EUR)	23 Lt (6,66 EUR)	70 Lt (20,27 EUR)
2014	2.60	6.66	20.27
2015	2.60	6.66	20.27
2016	2.60	6.66	20.27
2017.	2.60	6.66	20.27
2018	2.60	6.66	20.27
2019	2.60	6.66	20.27

Cereals:

winter and spring wheat, rye, barley, oats, triticale, pea, faba beans, vetch, soya, lupines, buckwheat

FSS fee is collected when growing area exceed 30 ha for cereals, pulses and rape, 10 ha for potatoes

Number of protected varieties included in FSS remuneration list

Years	Varieties
2012	145
2013	195
2014	193
2015	221
2016	227
2017	208
2018	209
2019	240

Area of agricultural crops in Lithuania, thous. ha

Crops	2014	2017	2018	2019
Winter wheat	295	634	464	740
Spring wheat	292	205	312	157
Pea	37	171	113	79
Winter rape	100	160	145	224
Spring barley	181	140	218	153
Oats	38	83	105	89
Faba bean	3	72	73	57
Winter triticale	59	70	48	96
Buckwheat	38	64	55	29
Rye	24	27	21	41
Spring rape	103	25	64	21
Spring triticale	24	12	10	10
Potatoes	16	12	11	11
Winter barley	2	7	8	22
Lupine	21	3	3	4
Total	1,233	1,685	1,650	1,733

Data of National Paying Agency under the Ministry of Agriculture of the Republic of Lithuania

Certified seed prepared in Lithuania, winter crops, t

	2005	2012	2014	2016	2017	2018	2019
Wheat	6769	10,200	13,784	26,189	36,403	31,307	26,223
Rye	405	800	543	495	504	859	1,394
Triticale	421	2,450	3,349	1,612	2,886	1,923	3,627
Barley	542	690	45	157	516	691	824
Total	8,137	14,140	17,721	28,453	40,309	34,780	32,068

The data of State Plant Service under Ministry of Agriculture

Certified seed prepared in Lithuania, spring crops, t

	2010	2014	2015	2016	2017	2018	2019
Wheat	5,378	11,858	11,549	1,0873	11,386	11,162	5,955
Barley	8,000	8,249	5,575	5,073	5,117	8,385	5,458
Triticale	400	956	1,079	414	345	252	695
Oats	1,383	731	588	1,197	1,071	2,916	942
Buckwheat	20	49	108	345	554	898	646
Pea	1,258	3,530	8,142	10, 529	8,979	9,292	6,239
Faba beans	180	1,515	3,798	5,855	5084	6,977	3,373
Vetch	66	59	12	74	122	83	113
Lupine	90	10	186	88	69	4	0
Total	16,775	26,957	31,037	34,448	32,727	39,969	23,421

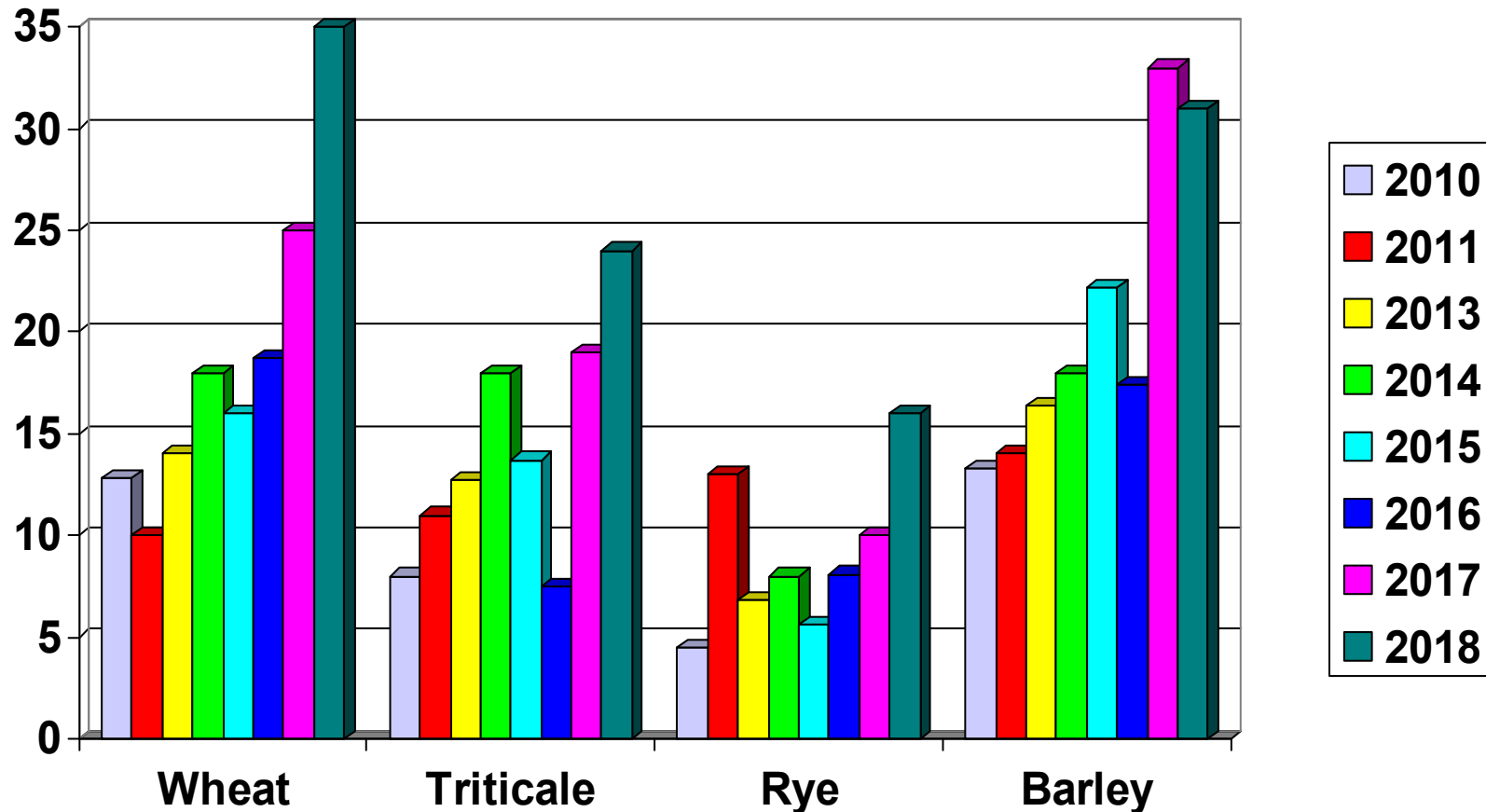
The data of State Plant Service under Ministry of Agriculture

Certified seed prepared in Lithuania, potatoes, grasses, rape seed, t

	2010	2014	2015	2016	2017	2018	2019
Potatoes	5400	2636	2776	2325	3049	2685	2002
Grasses	3100	473	779	740	678	969	734
Winter rape		53	27	40	31	31	52
Spring rape		199	101	109	62	205	66

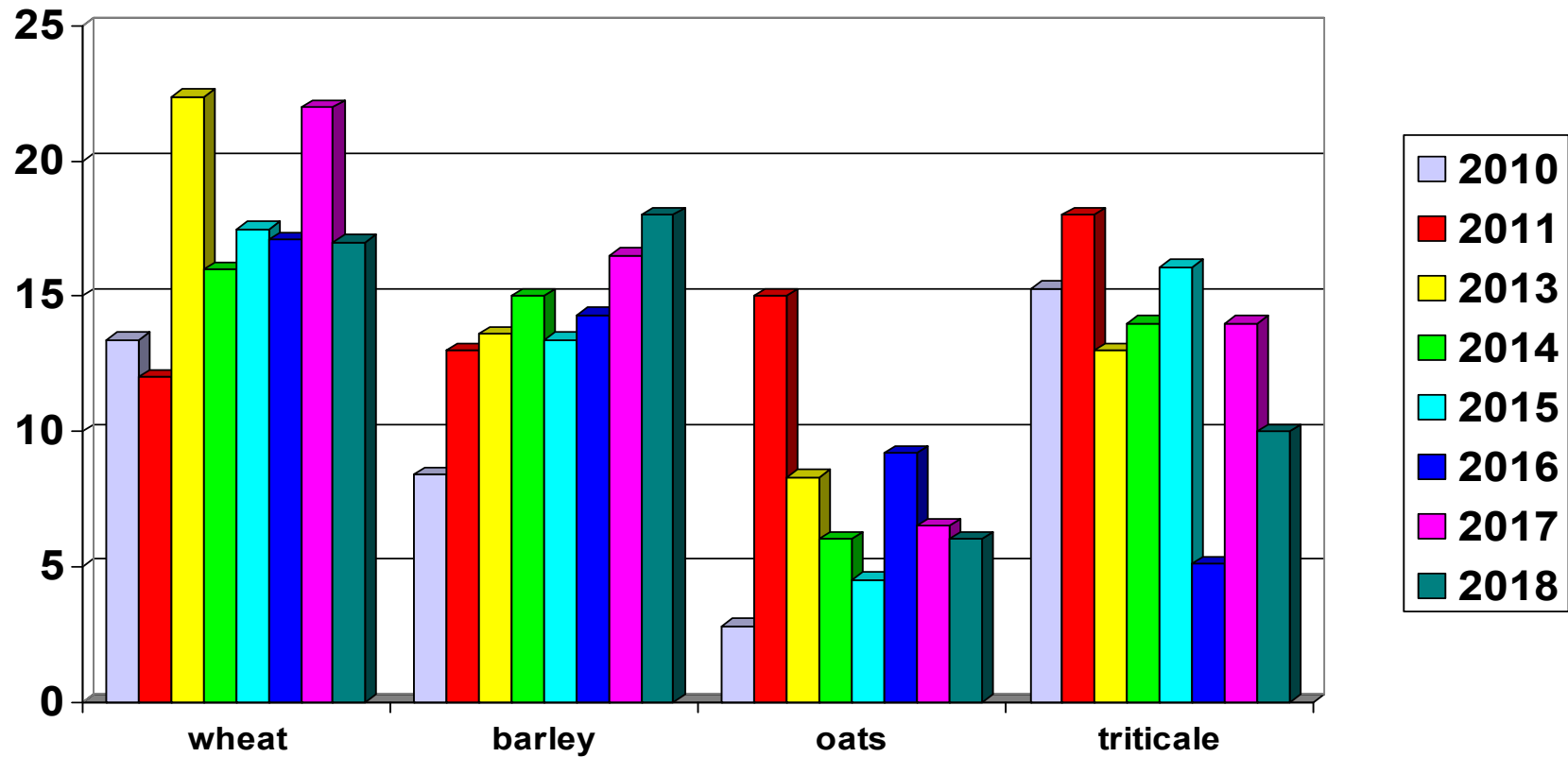
The data of State Plant Service under Ministry of Agriculture

The area of winter crops, sown using certified seed in the total sown area, %



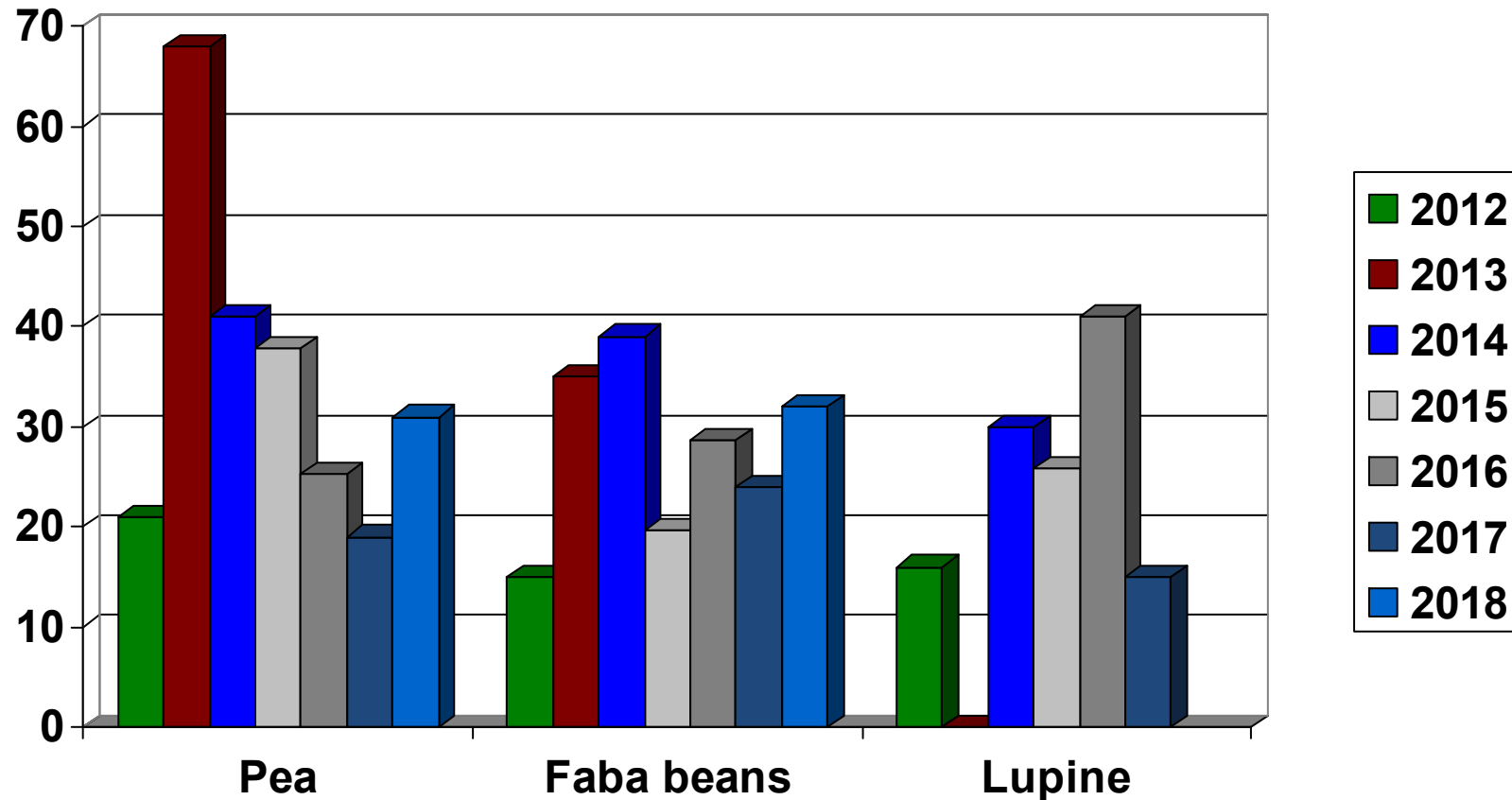
The data of Lithuanian Seed Association

The area of spring crops, sown using certified seed in the total sown area, %



The data of Lithuanian Seed Association

The area of pulses, sown using certified seed in the total sown area, %



The data of Lithuanian Seed Association

What kind of seed is actually used by farmers and Agricultural Companies?

- Farm saved seed? No.
- Farmers use **Home prepared** seeds. They have on farm:
 - Seed processing equipment
 - Seed treatment facilities
 - Varieties, purchased previously from seed companies
 - Raw seed material harvested on farm.
 - **Who is losing in this situation?**

Plant breeders and seed producers.

Farmers and Agricultural Companies have no losses for home made seed.

Constraints of FSS implementation. Philosophical:

The FSS is a macro-level problem:

Lithuanian example: about 9000 farmers, 209 variety maintainers, more than 500 varieties.

The legal regulations in some “sensitive” points are based on the micro level: holder and farmer

Example: 8.4. if required the farmer, evidence for holdership shall be provided.

Not all farmers are members of farmer’s organizations.

Why I should obey yours agreements.....

Constraints of FSS implementation. Practical:

The FSS relations should be based not on “good will” of farmers or authorities. “Good will” money can be collected for charity purpose only.

Legal procedures in the EU Court prove that the deals of FSS are running not very smoothly.

Some farmers provide fake information and there are no effective means to force them to supply correct data.

Some points of Regulation(EB) 1768/95 are imperfect for operative collection of FSS in the possible cheapest way. This makes collecting procedures difficult and causes unnecessary disputes.

How can be improved the FSS collection praxis

- If farmer declare that variety is “unknown” FSS should be paid to the budget.
- Or: if farmers declare that he is growing “unknown” varieties, it means that farming is not on high level and subsidies should be reduced 5-10 %.
- State support should be define more clearly. / Article 11, information by official bodies can be not present: - such information can only be obtained with **additional burden or costs.....1 sheet of paper is additional costs/**
Farmers to avoid FSS fee often employed good lawyers ...
- Date protection requirements are conflicting with FSS fee collection praxis. **Ex. Monitoring of farmers- holder can apply only for own variety. Farmer is growing 5 varieties... How about „unknown“ varieties**

Thank you