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Explanatory Notes for Growers regarding the RAC 'Breeders to Growers Agreement'

A group of Breeders have developed a new royalty collection approach referred to as 'Royalty Area Collection' (RAC). The Breeders have now joined forces to form BIPO (Breeders Intellectual Property Office) to collect these royalties on their behalf under one agreement. This is aimed at making it easier for you the grower to buy RAC varieties and reduce the paperwork required.

Breeders are now working together using a common RAC 'Breeder to Grower' agreement offered through BIPO Ltd, which will only require renewal every three years and allows you the Grower to purchase any RAC variety under this agreement.

BIPO simply acts as a collection agency for RAC royalties and will send a declaration form to you so you can supply the areas you have sown with any RAC varieties for royalty payment. BIPO will then send an invoice for payment. These notes are designed to explain how the procedures work.

1. Collections of royalties are on an area basis through the RAC agreements and therefore the seed is sold at a price excluding any royalty.
2. When you wish to purchase seed of a RAC variety contact your seed merchant and he will give you an RAC Agreement form. To agree to the terms of the RAC Agreement, sign the Agreement and return back to your merchant. You now can buy any RAC variety under the schedule.
3. Once you have signed the new RAC 'Breeder to Grower Agreement' the merchant will send it to the BIPO office who will supply you as a grower with an Agreement Number. This will mean you will not have to supply the required details every time you buy RAC varieties. After signing the RAC Agreement you will only need to supply your Agreement number to your merchant to purchase your RAC seed. BIPO will sign and return a copy of the Agreement to you for your records. There is no charge for an RAC Agreement.
4. After signing the RAC Agreement the Merchant may supply you with the seed of the variety you wish to purchase. BIPO do not determine the price or terms of supply of the seed. That is a matter for you and your seed supplier.

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5. After sowing and in subsequent years in which you are growing an RAC variety, BIPO will send you a Declaration Form asking you to advise the area in hectares you have sown of the variety. This should be completed and returned to the BIPO office within 28 days of receipt. On receiving the Declaration Form BIPO will invoice you for the Area Royalties. Payment will be due within 28 days of date of invoice.
6. BIPO is only a collection agency and does not determine the royalty rates charged by the Breeders. It is they who set the rates at the level they consider appropriate for the market.
7. For future purchases you only have to advise your seed supplier or processor of your RAC Agreement Number.
8. BIPO will advise you of any change to the varieties and their royalty rates at the start of each season.
9. You should note BIPO reserves the right to audit your records to ensure compliance with the Agreement. Please retain records of your purchase or processing of seed and field records showing area and sowing rate to allow BIPO auditors to verify your declarations. To ensure everyone is subject to the same conditions of royalty payment BIPO will be undertaking an audit of growers records on a regular basis to prevent evasion. Growers will be given adequate notice of an audit and it is our intention these should not be onerous for the grower.
10. BIPO RAC Agreements replace those previously issued for each variety by the individual Breeders. You are asked to sign a BIPO Agreement for the future supply and growing of these varieties. However, if you do not sign a BIPO RAC Agreement you should note the conditions of the individual variety Agreement remain in force.
11. It is intended the agreement should last three years when you will be asked to renew it. However, please note if you sign an RAC Agreement and purchase seed of an RAC variety you remain subject to the conditions of the Agreement regarding the multiplication and sowing of seed for the life of the variety.

If you require further information please contact Sara Harris at the BIPO office.