

## **FAQ's about the Master Wheat License Agreement**

### **How often do I sign an agreement?**

The Master Wheat License Agreement is only signed once for the life of the variety. A new Schedule A is signed each time you want to add a new variety.

### **Which varieties are covered?**

Everest, Jagger, Overley, Fuller, RonL and Danby

### **Are any K-State varieties available without signing an agreement?**

2137, 2145, 2174, Karl 92, Larned, Stanton, Lakin

### **Are there any restrictions on which varieties I can license?**

KWA may put additional restrictions on who may license varieties on a case by case basis. Currently, licensees must have produced certified wheat seed each of the last 3 years to be qualified to license Everest. As each new variety is released, KWA will determine the most appropriate marketing plan. These plans may include licensing exclusively to one individual, one or more groups, or a general, open release.

### **Are there any restrictions on selling seed?**

Seed sales are restricted to the United States of America. Marketing rights outside of the USA are available under a separate agreement. Furthermore, a licensee may not sell Foundation or Registered class seed to any who has not signed a license agreement for that variety. All seed must be certified by an official seed certification agency to be sold as seed.

### **Can I produce Registered seed?**

Registered class seed is produced from Foundation class seed as in the past.

### **What is the License fee?**

\$100 per variety.

### **How much is the royalty?**

The royalty for Overley, Fuller, RonL and Danby is 1-cent per pound, 60-cents per bushel. The Jagger royalty is ½-cent per pound, 30-cents per bushel. The royalty for Everest is 1.5-cents per pound, 90-cents per bushel.

### **Will I have to sign an agreement or pay the royalty on my 2008 crop?**

The license agreement and royalty begin with the 2009-crop but affect all sales made after January 1, 2009. Any carryover 2008-crop or earlier seed production will require a license agreement and royalties if sold or used after December 31, 2008 as seed.

### **Do I pay a royalty on seed I plant for my own use?**

Yes. The royalty is due on all seed sold or planted, beginning in 2009.

### **Who pays the royalty on wholesale seed transactions?**

The royalty is paid by the licensee who produced the seed. Royalties are due on the first sale of the product as seed regardless of whether it is a wholesale or retail transaction.

### **When is the royalty due?**

January 31 of each year, beginning in 2010 with the 2009-sales year.

### **Do I have to be a member of the Kansas Wheat Alliance?**

No. But there will be benefits for KWA members. KWA members will have a vote for a member on the KWA Board and have input into how research and promotional funds are spent. KWA members will also get the first release of information and additional product support.

### **How does the royalty get divided?**

- 60% stays with KWA for operations and research.
- 40% goes to KSURF. Of this share, KSURF keeps 15% for administration, etc; 25% goes to the inventor (this can be subdivided for each variety); 30% goes to the Department (either the KSU Agronomy Department or the Hays Research Extension Center, depending on the release); and 30% goes to KSU-Research & Extension.

Or another way to look at it would be on \$100,000 of royalty:

- \$60,000 goes to KWA
- \$ 6,000 goes to KSURF
- \$10,000 goes to the breeder, who could subdivide it to others, but the subdivision remains the same for the life of the variety. This information will likely be confidential.
- \$12,000 goes to the Agronomy Department or Hays REC
- \$12,000 goes to KSUR&E

### **What does KWA do with its share of the royalty?**

KWA is committed to reinvesting as much as possible into the wheat variety development programs at K-State. KWA members are surveyed annually to determine research priorities and breeders are regularly consulted to determine program needs. Infrastructure improvements were chosen for funding in 2010. KWA was able to leverage its contributions with other supporters to obtain new planting and harvesting equipment for the Manhattan program and new greenhouses for the Hays program.

A portion of the royalties is also used for administrative expenses, including enforcement of the variety owner's rights as provided by the US Plant Variety Protection Act. This activity is strongly supported by both wheat farmers and seedsmen who understand it as necessary to encourage continued investment into wheat genetics. It is also necessary to demonstrate KWA's ability to protect intellectual property so that KWA and K-State will be in a position to access wheat genetic traits developed by private companies.

### **Additional Questions?**

Contact KWA at 785/477-3400 or [kwa@kansas.net](mailto:kwa@kansas.net).