New Study Finds Intellectual Property Secures Significant Benefits for Society

Analysis shows 80% of economic benefits from IP-protected agricultural innovation goes to farmers and consumers

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Today, Steward Redqueen, a European consultancy specializing in economic impact research, released a new report, ‘Who benefits from intellectual property rights for agricultural innovation?’, which shows 80% of economic benefits from an agricultural innovation accrue to farmers and consumers and intellectual property is essential in making this possible. The report analyses Ogura, an oilseed rape hybridization technology developed by INRA, the French National Research Institute, and found the technology created €1.2 billion in total economic benefits to society over its 20 year patent life, with €960 million accruing downstream to farmers and consumers.

The developers invested €56 million and nearly a decade of work in bringing Ogura oilseed rape hybrids to market and required 15 years to break even on their investments. In light of this, the authors determine that without the robust protections offered by current intellectual property laws, INRA and the seed producers would not have been able to recoup their investment and would likely have never developed Ogura oilseed rape hybrids -- costing society over €1 billion in economic benefits.

“Steward Redqueen’s study confirms what innovators have been telling us for quite some time – robust intellectual property protections are essential for developing new technologies,” said Denise Dewar, Executive Director, Plant Biotechnology at CropLife International. “Intellectual property protections provide innovators the confidence they need to invest significantly in the innovations our world’s farmers require to increase harvests and improve their local economy.”

Since its introduction into the market in 2000, 83% of farmers have adopted Ogura oilseed rape hybrids and annual production in France has risen 320,000 tons. In 2012 alone, farmer income rose by over €120 million due to the Ogura oilseed rape hybrids. This created nearly 1,200 new jobs and lowered food prices for consumers – a significant boon for the French economy. However, without strong intellectual property rights, Steward Redqueen concludes it is “unlikely Ogura would be developed” and this would have all been lost.

“New innovations in the seed sector can bring major benefits to farmers and consumers, as Steward Redqueen’s study demonstrates,” said Dewar. “However, the financial and time investments required to develop an innovation are extremely high. In fact, for a biotech seed to come to market, it takes over 13 years and 100 million euros. Intellectual property protections ensure technology providers can recoup these costs and reinvest in the next generation of agricultural technologies.”

Steward Redqueen’s study, ‘Who benefits from intellectual property rights for agricultural innovation?’ was commissioned by CropLife International, the global voice of the plant science industry, and EuropaBio, the European association for Bioindustries. It can be downloaded at http://croplife.org/plant-biotechnology/intellectual-property/ogura-study/.
Note to Editor:
CropLife International is the voice of the global plant science industry. It champions the role of agricultural innovations in crop protection and plant biotechnology in supporting and advancing sustainable agriculture; helping farmers feed a growing population while looking after the planet; and progressing rural communities. The world needs farmers, and farmers need plant science. CropLife International is proud to be at the heart of helping farmers grow.