CREATING A MARKETING EDGE USING TECHNOLOGY
IN SEEDSTOCK BREEDING PROGRAMS

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SUMMARY
The application of genetic technology to seedstock breeding programs can provide powerful information for breeders on the likely progress of their breeding objective, efficiency of their selection and the relative performance of their sale stock. The case is made for service providers to ensure breeders have the capacity to provide advanced customised information to their clients rather than relying on a marketing philosophy of "technical correctness".

Keywords: Technology, marketing, seedstock, breeding.

INTRODUCTION
Seedstock breeders who are to be successful in the long term must be both skilled breeders and skilled marketers. To remain in business the majority of seedstock breeders must sell the breeding stock they produce in a competitive market, which demands a marketing strategy. Even seedstock breeders who directly supply the commercial production units of the same organisation will be questioned as to the quality of the breeding program and its output, relative to other options available outside the organisation.

Technology can be as powerful a system for marketing as it is for breeding. If seedstock breeders who use technically sound systems are to stay in business it is essential that the breeder's service providers are prepared to assist their client to use the technology to maximise their marketing edge as well as their performance edge. Technically based service providers will significantly reduce their value if they don't at least assist their clients to identify the many opportunities that exist for their service outputs to be used in the breeder's marketing.

PHILOSOPHY VERSES PERFORMANCE
As technology has developed and seedstock breeders were convinced that it could provide a sound basis for a high quality breeding system they often tried to market the breeding program based on the philosophy being used. That is, a technically sound and more effective means of delivering improved performance, rather than the actual performance and their calculated progress.

For a small number of seedstock buyers this marketing strategy worked. Usually because their clients had a technical background and they wanted to use a technically driven seedstock breeder. They ignored the fact that in some cases the technology was not being used effectively and/or the performance of the stock was low. They were sold on the idea that because the breeding program was technically driven it was better; they did not know if it was producing better performing stock than other options.
The declining terms of trade of most commercial livestock enterprises dictates that they are based on high performing genetics. Good management and marketing are less likely to be able to balance the books if genetics is not providing a sound basis for production. A survey of wool growers (Pope et al. 1996) found that 73% of the high amount of change in ram source was due to dissatisfaction with production. Technically based breeding programs are now able to clearly demonstrate the relative performance of their breeding program and the stock it produces and are therefore ideally placed to take advantage of this client need in their marketing.

**MARKETING STRATEGIES**

The use of breeding technology in seedstock marketing must increase, whether for a small ad, a stud profile in a field days booklet or a large multi-media promotion campaign. Discerning clients who are prepared to change source must be serviced correctly. In the past seedstock breeders who had a technically based breeding program used the technology to a varying extent in marketing, ranging from 'active' where technology was a significant contributor, to 'laissez faire' where technology was not used.

**Laissez faire.** Many seedstock breeders who incorporated new technology into their breeding programs did not use the technology for marketing. In the cases where they were successful breeders they gained a reputation for producing good commercial stock and this aided them to sell their stock. In a market environment that was neither over supplied nor aggressively using the range of information available to it, this selling strategy may have worked to some extent, however is unlikely to be adequate in the future. One important requirement in the laissez faire approach is time. Time for commercial growers to develop their perception of good performance. Time, however, is very expensive and a commodity that breeders who are changing a long term breeding objective or initiating a new breeding program do not have.

**Passive.** Commercial production competitions and comparative assessments of on-farm performance have provided seedstock breeders with some ability to let their commercial clients market for them. The seedstock breeder often plays no part in entry or promotion of successful clients, however, they obtain the benefits. Some limitations do however exist. Time is again required and there is often too much information presented to be used successfully in marketing. Simple modification can overcome the latter. Figure 1 shows a graphic used to identify the performance of Merino bloodlines (Coelli et al. 1996), compared to a graph varied to promote a single bloodline.

**Active.** All aspects of the breeding program can be described in words, graphics, etc. that allows a clear understanding of the approach taken and level of performance. The breeding objective and likely progress, program design, performance of sale animals, the quality of selected sires and dams, and genetic progress are some of the many areas referred to in marketing information that can be improved by using breeding technology. The result can be a fully integrated package which presents a coordinated approach with defined objectives and performance outcomes.

Across flock/herd recording has improved the ability of a breeder's performance relative to alternative sources to be presented. However, the generic format which is suitable for industry use, often needs modification to ensure it is suitable for the marketing needs of an individual breeder. Figure 2 compares the general presentation of the performance of elite Merino sires from many flocks relative to a modified version produced for a breeder to show the consistently high level of performance of his sires.
Figure 1. Merino bloodline performance (1A) and a format to promote a single bloodline (1B).

Figure 2. Performance of elite Merino sire from many flocks (2A) and a format to promote the consistently high level of performance of sires from an individual seedstock breeder (2B).

Marketing is a means of value adding that makes breeding technology more viable. In the majority of cases marketing material can be drawn from the same information the industry or a breeder has obtained for breeding decisions. This minimises the costs and makes its use more straightforward as the format is familiar to the target group. For example, results obtained from across flock evaluation (Figure 2), provide many breeders with sound information on both within and across flock selection while at the same time it can be the basis of legitimate and very positive marketing information.
Seedstock breeders who update a section of the breeding program or obtain new results that can be marketed can normally incorporate this into past marketing information without reworking the total package. Any part of their program that they have the ability to better present can be used to advantage. Sound, clear information can create a very positive attitude and reaction. Many clients and potential clients have deferred making a decision because the information they presently have is such poor quality. For example, although 25% of commercial wool growers feel they need to change their seedstock source to achieve their objective (Pope et al. 1996) the majority of seedstock breeders continue to describe their breeding objective with words such as, 'produce soft heavy cutting medium woolled sheep, with emphasis on quality, style and wool weight'. This tells the potential client very little, particularly when similar words describe the breeding objective of the majority of other breeders. However technology could allow the breeder to define their likely progress more clearly without over complicating the words used, 'Further increase the wool cut of the heaviest cutting 21 micron bloodline in the region by more then ½kg (13%) over the next 10 years, while reducing micron variation and improving crimp definition through a 20% emphasis on these traits when selecting future breeding stock'.

THE ROLE OF SERVICE PROVIDERS
Service providers to seedstock breeders are either directly involved in marketing or assist with breeding technology that can aid marketing. Both types of service providers should be aware of how technology can contribute to marketing and advise the breeder appropriately. Service providers who have a primary role in marketing should be looking to adopt breeding technology that will provide a marketing edge. Marketing systems as well as marketing information must be considered. For example, Merino ram performance records were the basis for On-Property Auctions initiated in 1977. They have grown in number and influence and are now not only a very lucrative sale system for top grade sale rams, they have become a benchmark that sets the value for private treaty ram sales; in most cases a value well above the price seedstock breeders would consider their clients would pay. The auction system has ensured high quality performance records continue to be provided to a large number of commercial Merino breeders, while seedstock breeders have benefited from an unprecedented value adding marketing system.

Service providers whose primary role is to develop and provide technology will significantly undervalue their influence unless the market value of the technology is demonstrated. If undervalued, technology uptake and hence breeding improvement are slowed and the likely influence of the breeder and the service provider will be undermined.

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REFERENCES

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