



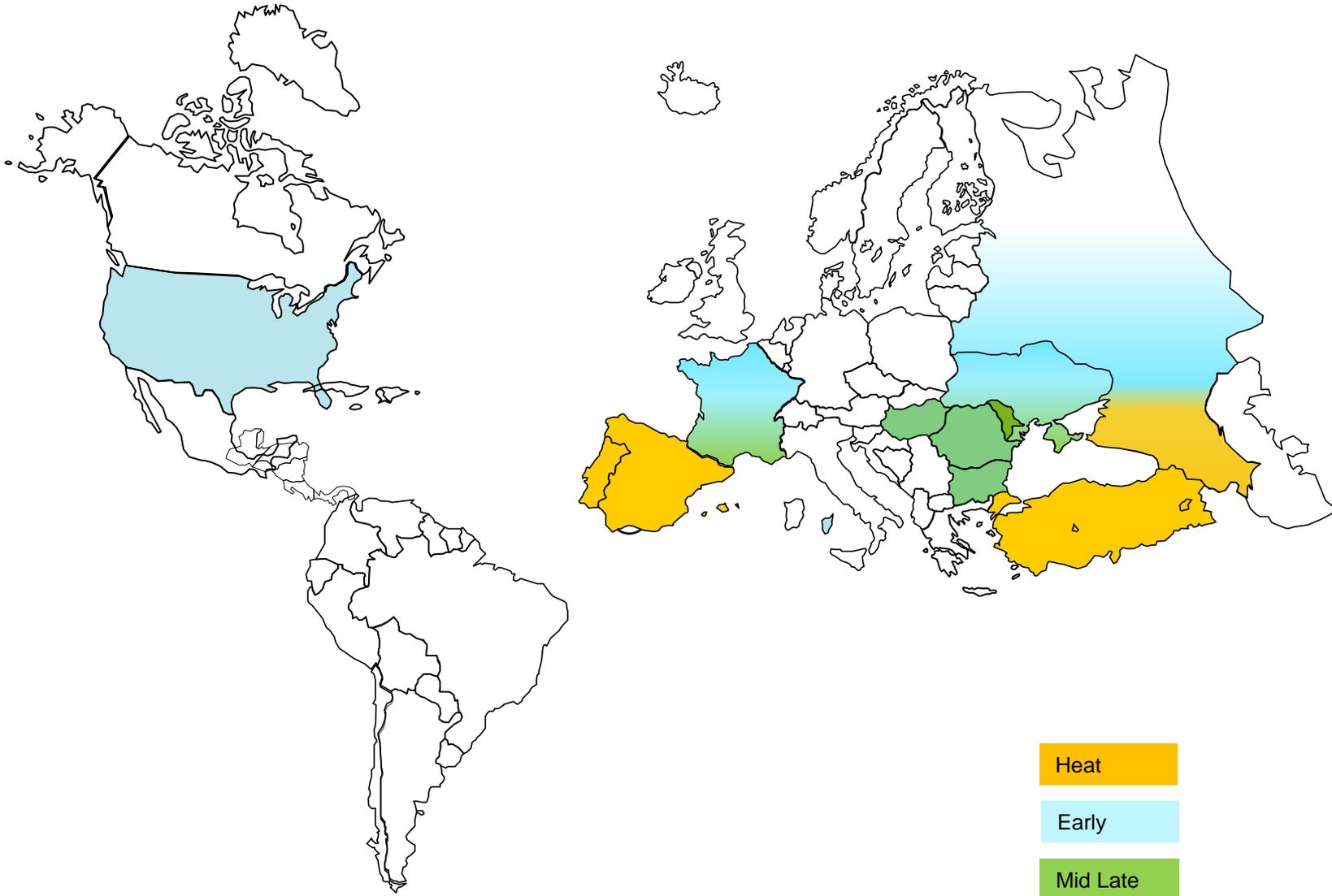
Costing of Breeding Programs: A perspective from industry

AGG-EiB Webinar: Costing of Breeding Programs . May 12th 2021

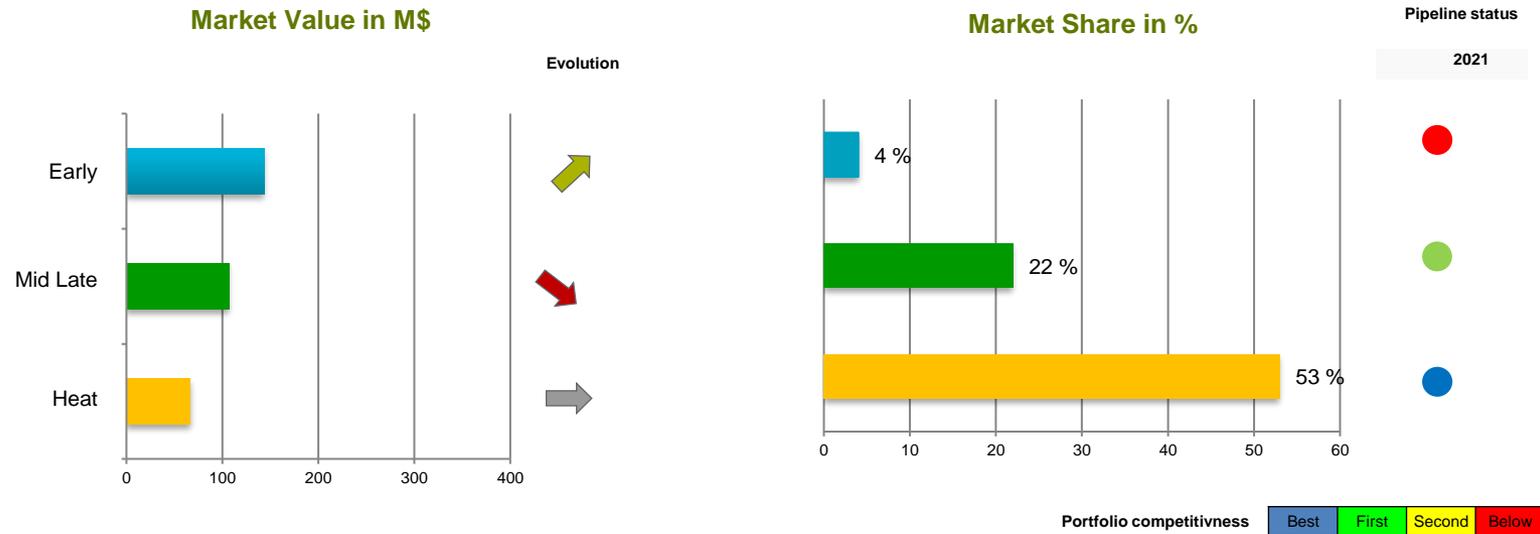
Olivier Cottet

Why Costing a Breeding program ?

Market Segment



Market Value and Market Share

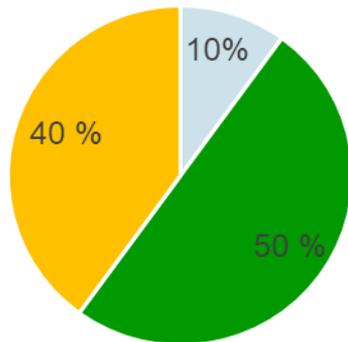


- Evaluate the market size
- What is our market share
- Evaluate our Product portfolio competitiveness
- Allocate RD Spent according to the Market trend

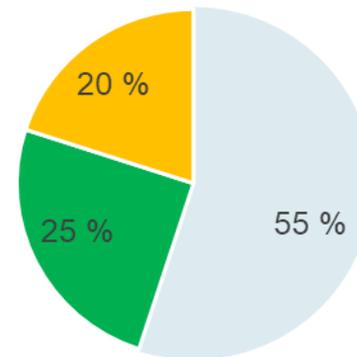
Balance R&D Ressources with Market Segment value

Market segment	Market Size	Market value	Market % in Value	Trend	Current Portfolio #Products	Allocation of Breeding Budget	Futur Ideal Portfolio # Products	New allocation of Breeding Budget
Early	1.3 Mha	150 M\$	48 %	↗	2 ●	10 %	6	55 %
Mid Late	1.3 Mha	100 M\$	32 %	↘	8 ●	50 %	5	25 %
Heat	0.5 Mha	60 M\$	20 %	→	4 ●	40 %	4	20 %

Today Allocation of RD Spent



Align the RD Allocation to follow market trend



■ Early ■ Mid Late ■ Heat

■ Early ■ Mid Late ■ Heat

Balance the investment with competitive position and time horizon



Competitive landscape per Region and per Crop



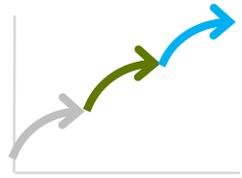
Maintain leadership

Catch up to competition



Innovate for medium- to long-term

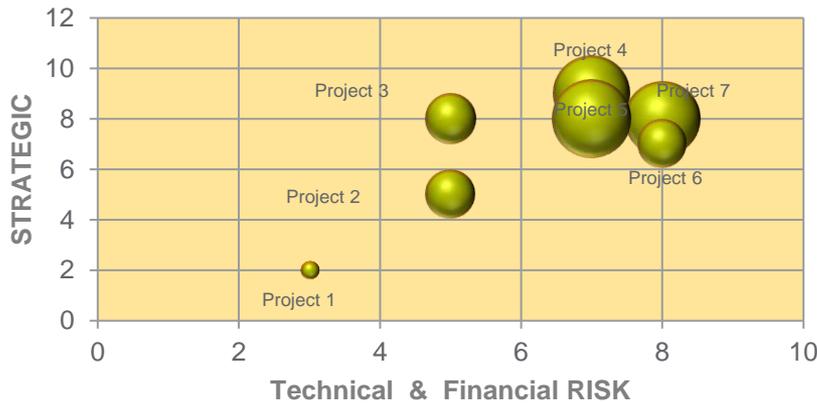
Act for short term



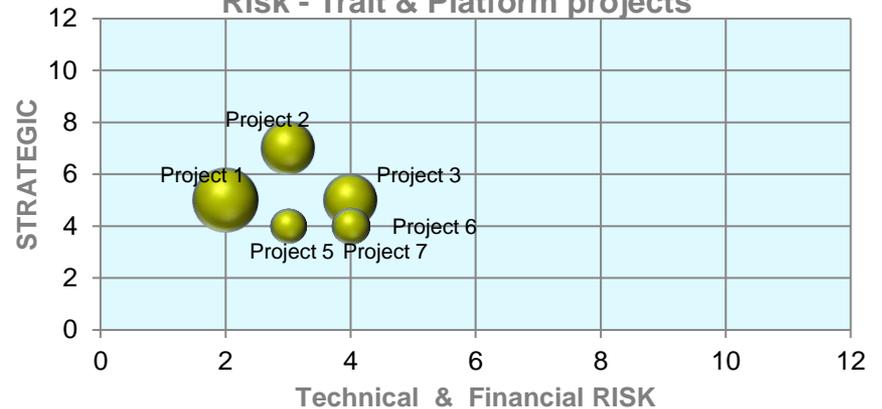
Project and resources allocation depend on the competitive position



Risk - Trait & Platform project



Risk - Trait & Platform projects



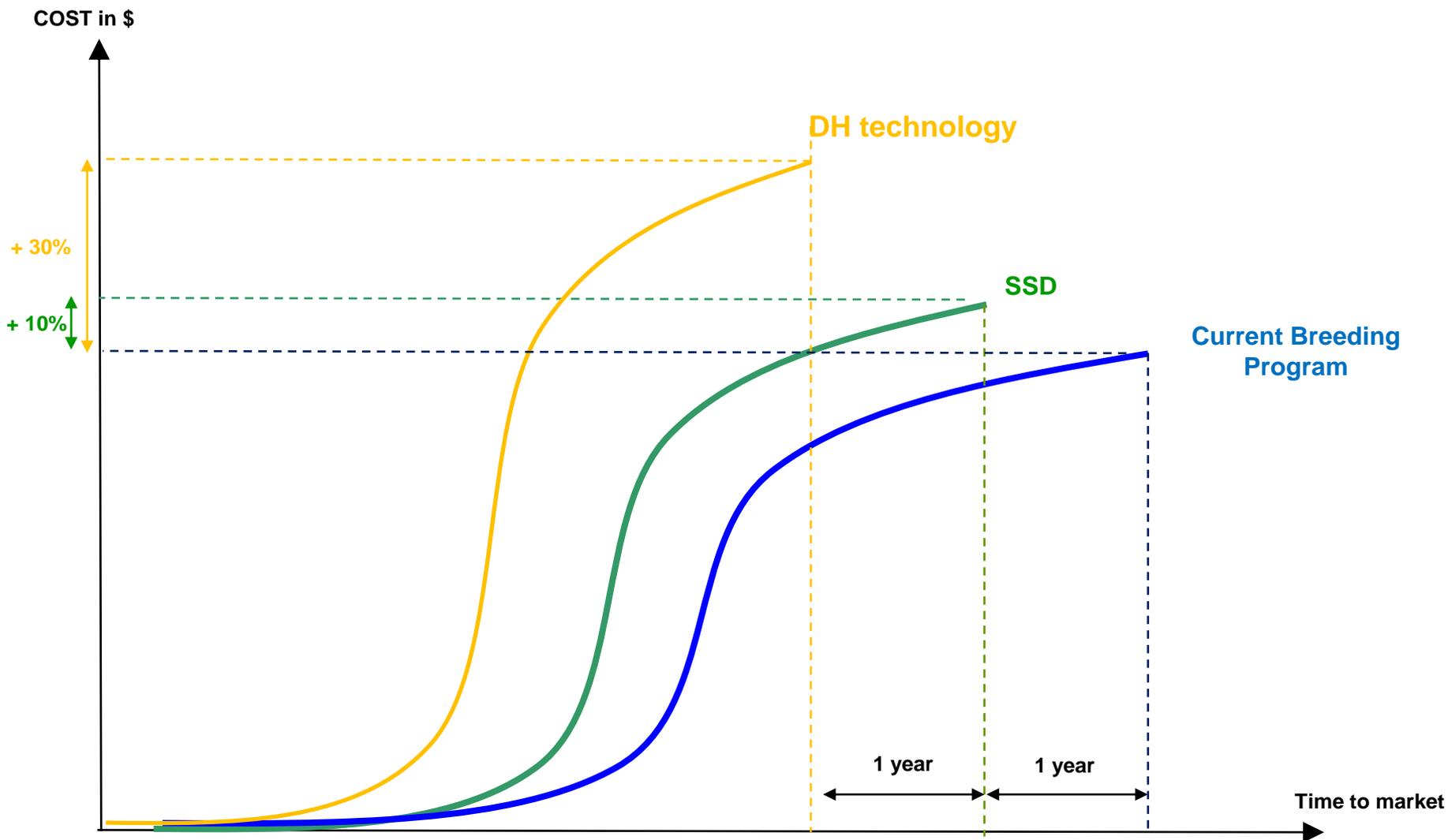
Key messages

- Strong leadership portfolio allows a long-term investment.
- Invest in Innovative projects with relatively high-risk profile but with a high strategic interest

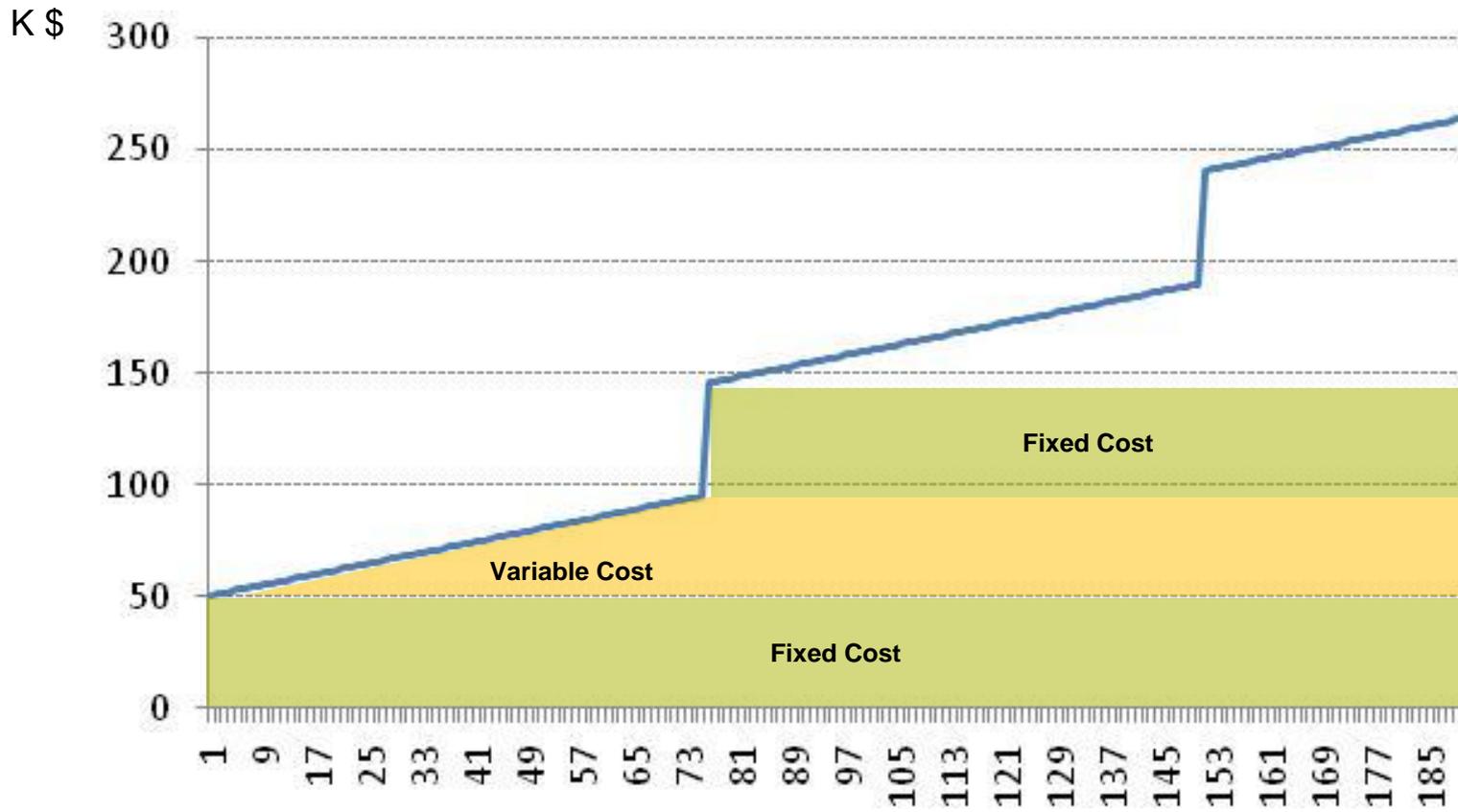
Key messages

- Catch up competition need to focus on few key projects.
- Limit the risk to ensure deliveries
- Concentrate resources on short term deliveries

Balance technology cost and gain estimate

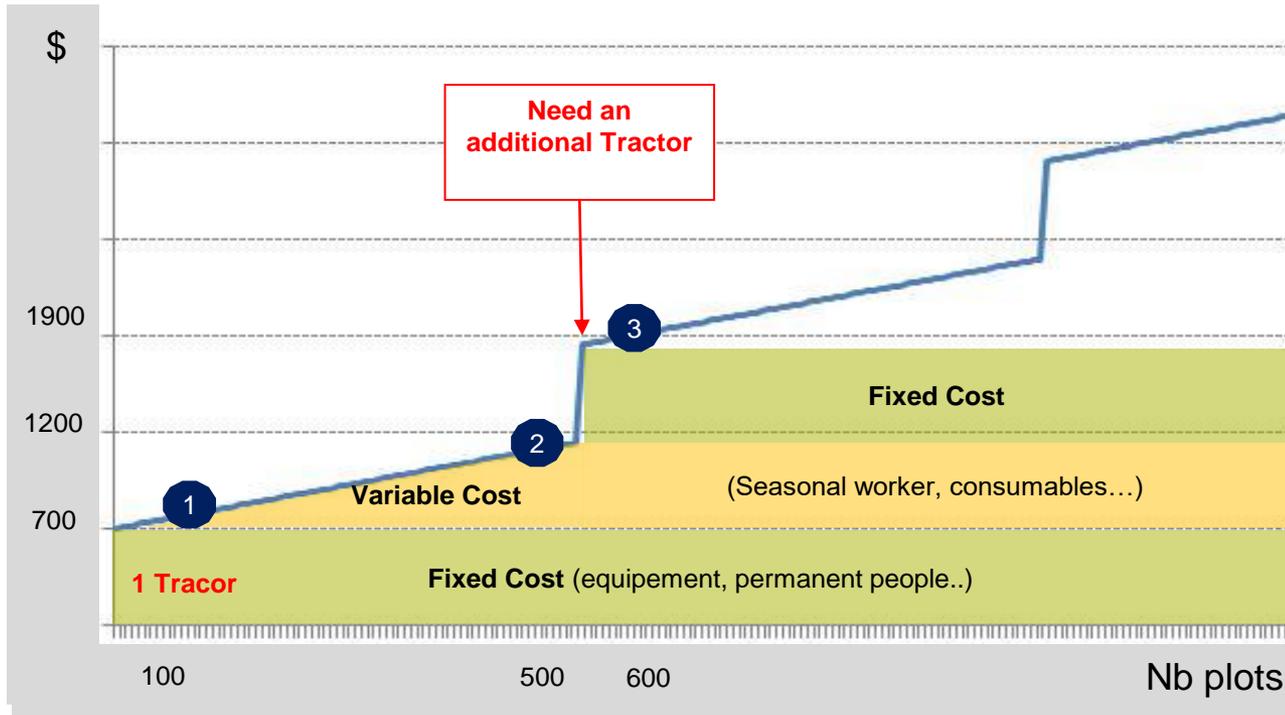


Cost evolution per number of project or Volume is not linear



Nb of Projects, Plots...

Example of yield trials



	Nb plots	Cost in \$			
		Fixed	Variable	Total	Cost / Plot
1	100	600	100	700	7
2	500	600	600	1200	2.4
3	600	1200	700	1900	3.2

+33%

Conclusion

Costing a Breeding program is important :

- **Align the breeding resources with the business market segment**
- **Establish project priority and resources allocations depending on our competitive position**
- **Allocate your resources short – medium – long-term depending on the strategy and the technology you want to use.**
- **Evaluate the Cost/Benefit when you apply a new technology**
- **The investment we do impact our unit cost**

Thank You