



Psyllid Resistant Leucaena - Business Opportunity

Expression of Interest Guidelines

(Second Call)

Document prepared by

Meat & Livestock Australia and UniQuest

April 2015

The University of Queensland (UQ) and Meat & Livestock Australia (MLA) collaborated to develop a new psyllid resistant leucaena variety and have issued one commercialisation license to date. UQ and MLA are now seeking interest from other potential licensees, with one additional variety commercialisation license available. This document outlines the process and selection criteria for consideration of a new potential licensee.

These guidelines should be read in conjunction with 'Expression of Interest Information Pack for Psyllid Resistant Lines'

Psyllid Resistant Leucaena

Leucaena is a fast growing perennial tree legume which offers one of the most productive feedbase options for northern cattle producers, where rainfall and soils are suitable.

The leucaena psyllid (*Heteropsylla cubana*) is a serious pest of leucaena pastures in Northern Australia and around the world. Susceptibility to psyllid attack is the most important agronomic limitation to existing commercial leucaena varieties.

Researchers from UQ, led by Max Shelton, with funding from MLA, have developed a new exciting psyllid resistant leucaena variety. This variety has the potential to greatly improve the productivity of Northern Australia and respond to the current limitations psyllid impose on the expansion of leucaena.

A cattle palatably trial is underway, with results due for release in June. More information is available on request.

Licensing Opportunity

MLA is now inviting Expressions of Interest (EOI) from a second potential licensee with a primary focus on Northern Australia. An open and competitive process of applying for the right to license the variety will be evaluated by MLA, UniQuest (the main commercialisation company of UQ), UQ and the producer Chairs of the Central and North Queensland Regional Beef Research Committees. All EOIs will be evaluated on the applicant's responses to the Selection Criteria.

One royalty based license has been executed. A second licensee is being sought. Terms of the second licence must be materially the same as the first licence. Such Terms are available on request under a confidentiality provisions.

Potential Market Size

Leucaena pastures are suited to an estimated area of over 13 M ha in Queensland, with an estimated 200,000 ha of leucaena currently producing approximately 50,000 tonnes of liveweight gain, valued at \$100 M each year. Significant areas of the Northern Territory would also be suitable.

The Competitive Advantage

This new variety is high yielding, palatable and specifically bred for psyllid resistance.

Existing commercially available leucaena varieties have limited psyllid resistance. Australian PBR protected varieties of leucaena cv. Tarramba and cv. Wondergraze are susceptible to psyllid attack. Many cattle producers who have trialed these varieties have appreciated their increased productivity on their properties, but properties located in higher rainfall and coastal regions have been hampered by psyllid issues.

Leucaena also has the ability to reduce the intensity methane emissions in cattle (kg NH₄ emitted per kg beef produced). A methodology that may allow producers to claim credits for their leucaena farming systems is currently seeking government approval.

Variety Limitations in Adoption

Specific limitations to the adoption of leucaena include:

- Understanding of establishment is important. Establishment costs act as an initial barrier for producer adoption.
- As leucaena is a tree based perennial, it requires slightly different expertise than most other pasture varieties.
- Due to leucaena's prolific growth and endurance (once established), leucaena has the potential to become a weed issue.
- For maximum benefit to cattle properties, leucaena should be grown in conjunction with other pasture varieties.

Intellectual Property

The new variety intellectual property is owned by UQ and MLA. The new variety is currently undergoing DUS (distinctiveness, uniformity and stability) trials towards securing Australian PBR.

Prospective Licensees – What are we looking for?

Successful adoption will require the engagement of a specialist seed production and commercialisation company able to provide quality seed and service the cattle industry.

The selection criteria to be used to assess the EOIs are:

- 1. A demonstrated track record in commercialising pasture plant varieties with the capability, commitment and resources to commercialise the new leucaena variety throughout Northern Australia**

The ideal licensees will have intent and resources to commercialise the leucaena variety and be able grow out and distribute seed in Northern Australia.

- 2. Capability to seek strong adoption in Northern Australia and provide support for new leucaena growers**

The ideal licensees will promote, provide education and support to a rapidly growing leucaena market, including agronomic support to growers.

3. Willingness to reduce weed issues

Due to leucaena's prolific growth and endurance (once established), leucaena has the potential to become a weed issue. In order to reduce the weed issue, the Leucaena Network has developed a Code of Practice (<http://www.leucaena.net/codeofconduct.pdf>). All licensees will be required to promote and abide by the Code to ensure that the risk of leucaena being declared a 'weed' in specific regions is reduced. A willingness to adhere to the Code of Practice should be demonstrated in the EOIs.

An Expression of Interest

Expressions of Interest are now invited from interested potential licensees.

Estimated EOI timeline:

14 May: Initial EOI interest registered with MLA

14 June 2015: EOI received by MLA

30 June 2015: Successful licensees notified and finalisation of documentation.

*Timelines may be subject to change due to unforeseen circumstances

Contact:

If you would like further information on the new leucaena variety, including Term Sheet, trial site visit, initial palatably trial results and/or explanatory presentation, please contact Amanda McAlpine, MLA, in the first instance:

Amanda McAlpine

Meat & Livestock Australia

Phone: (02) 9463 9228

Mobile : 0404 025963

Email : amcalpine@mla.com.au

Whilst care has been taken to ensure the accuracy of the information contained in this publication UQ, UniQuest and MLA cannot accept responsibility for the accuracy or completeness of the information or opinions contained in the publication. You should make your own enquiries and conduct your own due diligence before making decisions concerning your interests and the benefits in seeking a licence for the leucaena variety.