

# The Legal Status of Nadorcott Worldwide

On Behalf of Citrogold, South Africa &  
Variety Access, Australia





# Contents

Background to Citrogold

Management System in Australia

Process Followed

Grower feedback & Queries

Legal position

Fee Structure

Opportunity for Packers to register trees

Grower options


Marketing Channels & Trademarks

Australian Strategy 2009

Nadorcott Marketing Trends 2008/2009

Conclusion





# Background to Citrogold

- **Mandate from License Holders**

- Citrogold is a South African based Cultivar Management Company

- Citrogold acquired the SH rights to manage the Nadorcott variety

- Citrogold contracted to license trees for fruit exports to EU/USA simultaneously

- Variety Access, A QLD based Co, is charged to represent Citrogold in

- Australia & managed by Wayne Parr





# Management System in Australia

- **Mandate from License Holders:**

- Packer/importer can license trees on behalf of grower
  - Exports to EU/USA permitted provided royalties paid
  - Specific number of Nadorcott trees to be recorded
  - Tracking system to be used (Gesvatec) to identify licensed vs. unlicensed fruit
  - Standardized quality specifications
  - Use of <sup>TM</sup> to identify ranges of fruit quality
  - Clemengold is an internationally recognized brand
- **Communications with Nadorcott Growers:** 30 March 2009 & grower meeting held Dareton 30 April 2009





## Process followed

- Circular sent to Nadorcott Growers:  
30 March 2009
- Grower meeting held Dareton 30  
April 2009
- Opportunity made to packers
- CGGA formed
- First Ha and trees registered
- First exports



# Grower Feedback/Queries

- Cost if enforcement does not take place
- All fees to be clearly defined
- Obligations & rewards-owners/license holders & growers
- Validity of EU PBR/USA Plant Patent
- Legality to backdate license payments for fruit exported to the USA
- Control system to be put in place in USA
- Question DNE's Alliance with Easy Peeler Importers
- Marketing system of EU importers in place
- Licensing mechanism for trees to be clarified
- Clemengold/Other <sup>TM</sup> - clarify usage, specs, cost





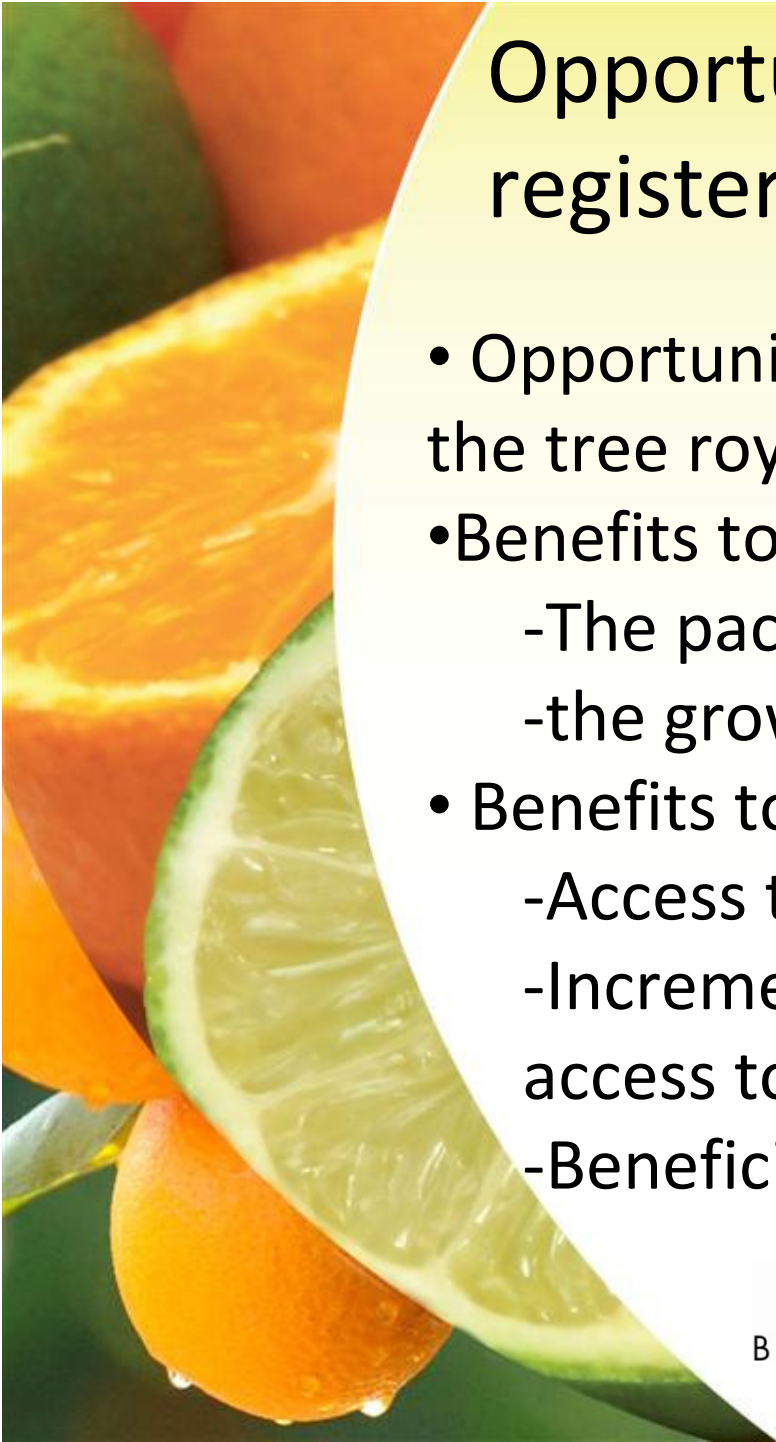
## Legal Position

- EU PBR number: EU 14111 (04/10/2004)-Challenged-case won
- USA Plant patent number: PP 10480 (07/07/99)-**Unchallenged & valid to date but not enforced: The License holder intend enforcing the USA plant patent**
- Clemengold™-Citrogold
- Afourer™-Moroccan fruit only-not interested in licensing other regions

# Fee Structure

•Tree Royalty	€0.75c per tree	Packer/marketer to collect royalties
•Carton Royalty	€0.036c per kg	Packer/marketer to collect royalties
•Clemengold™	No cost for EU & USA-€0.10c per kg elsewhere	Verify specs
•Gevvatec Tracking System	€0.02c per kg installation fee per packhouse	Systems to be put in place
•Administration costs	Budget per ha set by growers-AUD \$100	To coordinate running of ANGC

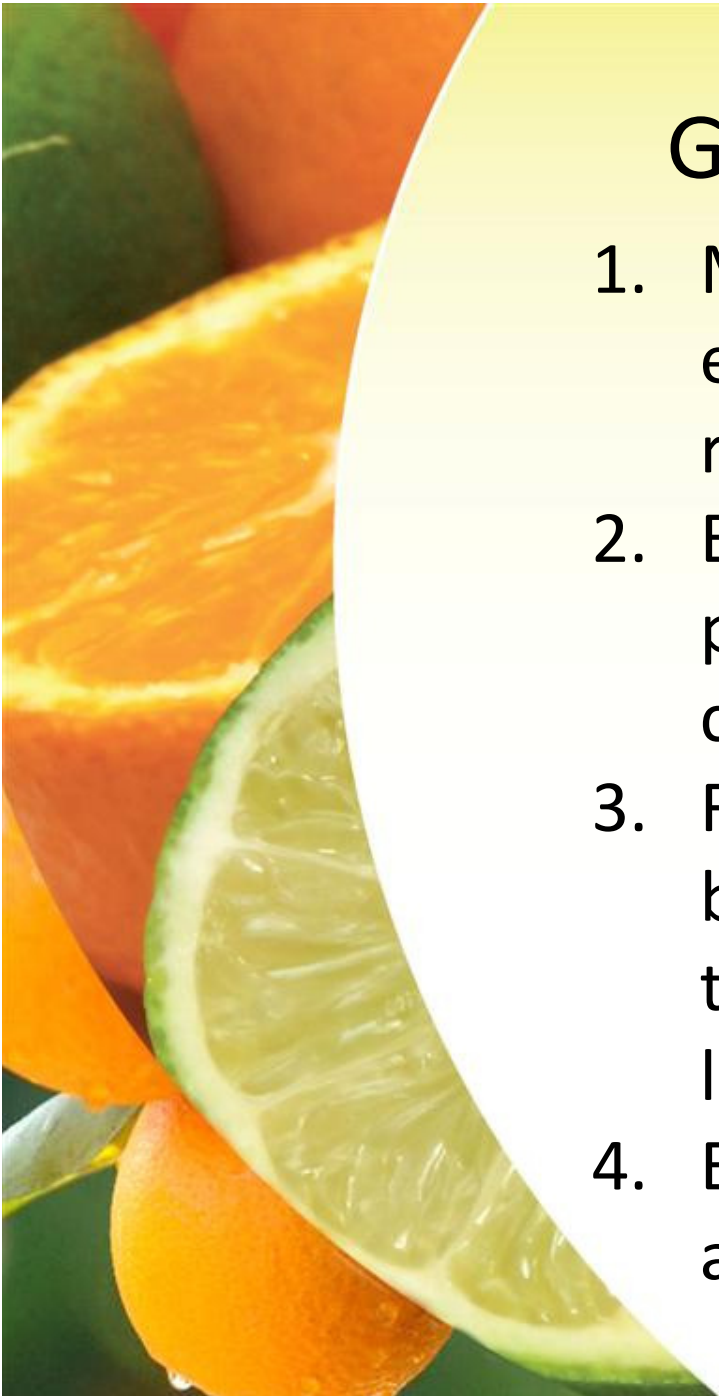




# Opportunity for Packers to register trees

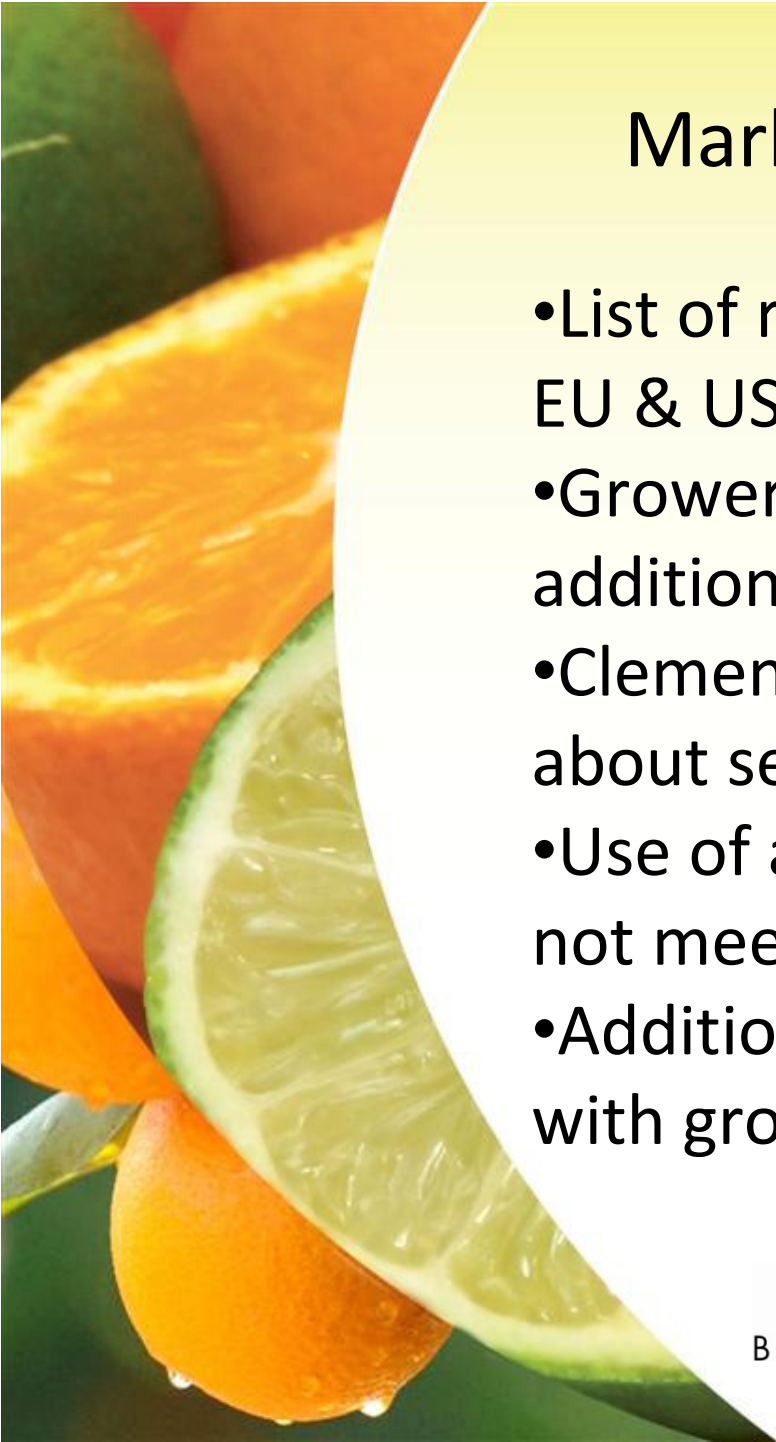
- Opportunity created for the packer to pay on the tree royalties behalf of the grower
- Benefits to the grower
  - The packer cash flows the tree royalty cost
  - the grower remains the legal entity.
- Benefits to packer
  - Access to fruit for marketing
  - Incremental licensing of Ha and further access to fruit volume
  - Beneficial relationship-packer & grower





## Grower Options

1. Market fruit in all market segments except EU/USA & do not incur royalty payments/other costs
2. Export to the EU & USA without paying royalties and accept possible consequences
3. Follow the legal route as proposed by Citrogold- put structure in place to register trees, pay royalties and license stakeholders
4. Each grower needs to make a choice as to which option to pursue



## Marketing Channels & Trademarks

- List of registered marketing channels in EU & USA available
- Growers or marketers can request additional channels
- Clemengold <sup>TM</sup> specs available-complaints about seed
- Use of alternative <sup>TM</sup> for fruit that does not meet the Clemengold spec available
- Additional <sup>TM</sup> to be set in consultation with growers



# Australian strategy 2009

- Register growers & fruit exported to the EU only-Source: Variety Access
- Introduce new brand for fruit exported to the USA

Registered hectares	Registered Kg's to EU
2009- 44 ha	2009- 1.4 m Kg
2010- 32 ha	

# Nadorcott Export Trends 2008/2009

Country	Volumes Exported (KG'S)	Percentage
Australia	440,960	2.7%
South Africa	13,471,174	82.1%
Chile	?	?
Argentina	2,2256,255	13.8%
Uruguay	238,172	1.5%



# Conclusion

- A system is in place to legalize Nadorcott trees and exports
- For further enquiries please contact Wayne Parr, Variety Access, 0418862016

