

Foreword to Annual Report 1999/2000

J.E. Godfrey, Chairman of the Governing Body

I am pleased to report on another successful year at the Scottish Crop Research Institute (SCRI). The recommendations from our 1998 Visiting Group Report and the science strategy document published by the Scottish Executive Rural Affairs Department (SERAD) have helped reshape our own science strategy and these changes are reflected in our latest Corporate Plan. In addition, we have implemented additional corporate governance procedures to bring us in line with current best practice.

The pace of change is accelerating and it can be helpful to stand back and review the arena in which we operate. The reasons for research are varied and can include: 1) increasing output; 2) improved quality; 3) production and distribution efficiency; 4) increased market share; and 5) innovative products and presentations. The word 'Research' implies discovery and/or a desire for changing a process or creating a product but in itself is an incomplete concept and encompasses a spectrum of activities - Research, Development, Extension, Advice, Application and, last but not least, Commercialisation.

Today, we have a new research paradigm which demands closer affiliations between the public and private sectors. Genomics and biotechnology are providing new opportunities to add value to agriculture and the industries upstream and downstream of agriculture, but are providing new challenges for routes to commercialisation. Creativity and innovation are paramount in both the research and commercialisation arenas, where we have to move away from crop-specific to customer-targeted solutions. Identifying and operating at multiple points in the food chain and the utilisation of non-food products, arising from primary production where product benefits accrue, is critical to future profitability.

Mylnefield Research Services Limited is our commercial arm and has had its most successful year to date, but we recognise that there are limitations to its activities. During the year, the Mylnefield Trust was set up

as a separate legal entity enabling us to be more flexible for potential investors and contractors, with the aim of attracting additional commercial research activity associated with the Institute.

Investment in research has to be recouped within varying product-marketing cycles. This can be difficult for commodity production with inelastic demand, but it is particularly important for developing economies to generate farm surpluses to release resources from agriculture to partake in the benefits of increasing world trade. This in turn helps the developed economies to trade their industrial products. In this increasing global economy, the timing of research and ownership of intellectual property with early exploitation is crucial. This will increase the pressure to shift from horizontal supplying organisations to vertically integrated supply chains.

Governments, with their wider economic and political objectives, invest in research so that as efficiency gains are achieved, resources can be transferred to other competing sectors for the benefit of the country. While not all research has an immediate commercial significance, there are the whole areas of research which lead to public benefit such as improvements in safety, health, and environment. SCRI is at the forefront of helping to evaluate environmental risk arising from GM technology. The commercial benefits of such research are only likely to be felt in the longer term.

At SCRI, we recognise this changing environment and adjust to it. We have a mix of Government and commercial funding which, coupled with our excellent research staff, keep us at the forefront of life science and environmental research. I welcome our new Deputy Director, Wayne Powell and the new Head of Finance and Administration, Douglas Watt. They will, I am sure, contribute to the efficient running and expansion of SCRI. I extend my thanks to the Governing Body, the Director Professor John Hillman, and the staff for all their enthusiasm and dedication to SCRI. This Annual Report is testament to our success.