

Title Developing a commercial floriculture activity in a research environment and a supply chain context

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Abstract

Successful supply chains in the ornamentals industry require mutual understanding and co-operation amongst members. Moreover, all those involved in a supply chain, from producers to retailers, must understand their customer and consumer needs. Research and development (R&D) that underpins new ornamental product development is no exception to these general rules. However, most public R&D organisations are largely independent of the supply/value chain. Therefore, they are at risk of missing the mark in developing products that the marketplace actually wants. Moreover, R&D outcomes may not be taken up by industry if industry itself has not invested in the R&D program. Herein lays a paradox, at least in Australia: while the ornamentals industry is in need of unique and innovative products, it is reluctant to invest in R&D that will result in the creation of such products. The ornamentals industry in Australia has poor history of investment in R&D. Consequently, the related R&D which does take place is largely funded from public sources. Thus, the outcomes of this R&D may either not be well targeted to marketplace needs, or the outcomes may not be effectively taken up as there is no industry buy-in. The consequence of this cycle has been that many new products have not been successfully commercialised. The results are an industry that lacks innovation and a significant reduction of public investment in ornamentals R&D. Among other objectives, the Centre for Native Floriculture (CNF) was established to develop novel floriculture products from among native flora indigenous to Queensland. From the outset the CNF wanted to ensure that any new products developed would successfully enter the global marketplace, thereby adding value to local and national native floriculture industries. Therefore, the CNF adopted a market-orientated approach. Through extensive market research, industry consultation and trialling, *Ptilotus* was selected as the flagship genus. After 4 years from its inception the CNF selection and breeding team has developed three cultivars for which intellectual property protection has been sought. Additional novel lines are in the pipeline at various stages of development. To ensure that these exciting new products have the maximum chance of entering the domestic and international market, a start-up company has been established. This start-up will manage commercialisation of the three *Ptilotus* cultivars and other new lines currently under development. The benefits of this approach include a more demand-lead R&D activity, the creation of a sustainable income stream, and a clear demonstration of the benefits of innovation to the ornamentals industry. Issues concerning commercialisation of native plant products and the integration of the R&D program into the marketplace are discussed in a supply chain context.