

ABLE-AG writes to PMO, Opposes cotton seed price control order

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The ABLE-AG has expressed serious concern with regards to the recent decision by the ministry of agriculture and farmers welfare, government of India to regulate the maximum sale price of cotton seeds in the country. The order also aims to control the licence fee, Royalty trait fee and licensing terms on which technology providers make available innovative technologies for the benefit of Indian cotton farmers through cotton seed companies on extensively negotiated terms set out in mutually agreed bilateral private contracts.

In its letter to the Prime Minister's Office (PMO) dated December 17, 2015, the ABLE-AG has sought an immediate meeting to discuss the issue. The same is addressed to Mr Nripendra Misra, principal secretary to PM and signed by Mr Ram Kaundinya, director general, ABLE-AG. It questioned the decision making process that involved no prior information, discussion, or consultation by the Ministry with the association or any of its constituent organisations or technology developer and provider and any other stakeholder in general.

Commenting on the issue that has emerged as one of great concern to the industry, Mr Ram Kaundinya, "Being an association committed to the improvement of Indian agriculture through biotechnology, we strongly oppose the order and the manner in which it was adopted. While a part of the Order seeks to determine Maximum Sale Price of cotton seed under the Essential Commodities Act, it surprisingly extends to fixing a component thereof associated with innovation. We are saddened that such action has been taken without our Association or any member company being consulted on the same. We believe such a step hampers confidence in making investments in innovative research & development and is contrary to the Government's 'Make in India' campaign and impacts ease of doing business. We have also written to concerned ministries sharing our views in this regard."

Speaking on the issue Dr Paresh Verma, head of management committee, ABLE AG said, "As was emphasized by the Prime Minister during his recent trip to US, respect for Intellectual Property Rights in agriculture would be critical in India as it would lead to increased investments in R&D for developing innovative solutions to increase productivity and farmers' income. Any policy that brings in adhocism related to potential return on investment will adversely influence research investment decisions of technology development companies."

With introduction of Bt cotton since 2002, India is world's 2nd largest exporter of cotton from 2nd largest importer at the time of technology introduction. Cotton is a global commodity and global competitiveness is key for Indian farmers to compete in the world market. India produces cotton worth \$10 billion annually of which \$2.5 billion is exported. The domestic market consumes a value of \$7.5 billion feeding a large part of it to the textile sector which capture value through further export. 7 million farmers are directly benefited from the cotton; as many as 20 million gets ancillary support in the form of farm labour.

According to UK-based research group - PG Economics, higher cotton production and insecticide savings from Bt cotton seeds helped India's cotton farmers earn Rs. 42,300 crore of additional income between 2002 and 2010. Other studies including the one done by the Council for Social Development (CSD), titled, 'Socio-Economic Impact Assessment of Bt Cotton in India,' have found that higher returns from Bt cotton cultivation has empowered the farmers and landless labourers to increase their expenditure on improving their livelihood status.

As per ABLE-AG, the Indian farmers' choice to plant hybrid cotton seeds with insect-protection Bt cotton technologies on over 90 per cent of cotton acres, and increased cotton production, is testament to the value created by better seeds, technologies and farming practices, when compared with the alternative of seed and insecticide sprays.