

Farmers cotton on to new seed, in blow to Monsanto

New Delhi/Mumbai, Aug 3:

Americas.

In a tiny hamlet at the heart of the cotton belt in northern India, Ramandeep Mann planted Monsanto's genetically modified Bt cotton seed for over a decade, but that changed after a whitefly blight last year.

Mann's 25-acre farm in Punjab's Bhatinda district now boasts "desi", or indigenous, cotton shrubs that promise good yields and pest resistance at a fraction of the cost.

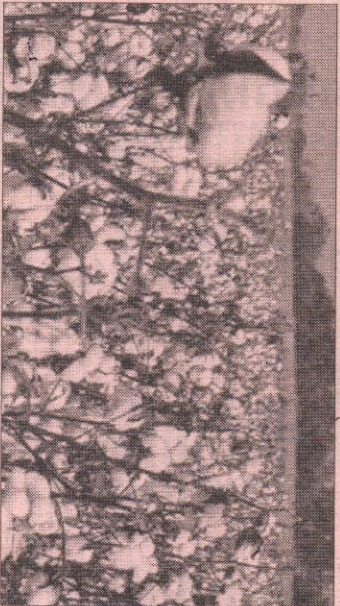
Mann is not alone. Thousands of cotton farmers across the north of India, the world's biggest producer and second largest exporter of the fibre, have switched to the new local variety, spelling trouble for seed giant Monsanto in its most important cotton market outside the Americas.

The Indian government is actively promoting the new homegrown seeds, having already capped prices and royalties that the world's largest seed company is able to charge.

"Despite the whitefly attack, farmers in northern India are still interested in cotton, but they are moving to the desi (indigenous) variety," says textile commissioner Kavita Gupta.

Official estimates peg the area planted with the new variety at 72,280 hectares in north India, up from roughly 3,000 hectares last year.

That is still a tiny percentage overall, and most farmers in the key producing states of Gujarat and Maharashtra are sticking to Monsanto's GM cotton, which has been in-



strumental in making India a cotton powerhouse.

And the impact of whitefly, a pest that thrives in dry weather, may not be as big this year, as monsoon rains are likely to be plentiful. Experts said two straight droughts fanned last year's infestation.

But the new seed is still a setback for Monsanto, which

has also been hit by a roughly 10% decline in cotton acreage in India this year as farmers switch to crops like pulses and lentils in the aftermath of the whitefly blight.

Seed sales slide

Monsanto's Bt cotton sales in India have fallen 15% so far in 2016, said Kalyan Goswami, executive director of the

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National Seed Association of India.

The firm, which last year sold some 41 million packets of Bt seeds in India, could stand to lose up to ₹5 billion (\$75 million) due to lower sales and the steep cut in royalties enforced by the government earlier in 2016, according to Reuters calculations.

The company, which unsuccessfully challenged India's decision to slash royalties in the courts, declined to comment for this article.

But in the wake of the whitefly infestation, Mahyco

Cont. →

Raj Shree
4-8-2016

Monsanto Biotech (India) Pvt Ltd (MIMB), a joint venture with India's Mahyco, said last year that Monsanto and its Indian licensees marketed their product as resistant to bollworms, not other pests.

Some experts were optimistic the indigenous cotton seeds developed by the Central Institute for Cotton Research (CICR), which comes under the farm ministry, would catch on over time.

"Just wait for the crucial three to four years to see a complete, natural turnaround. By then most farm-

ers will give up Bt cotton and go for the indigenous variety," said Keshav Raj Kranthi, head of CICR.

Kranthi said planting a hectare with the Indian variety cost less than half the ₹80,000 farmers paid to sow Bt cotton over the same area, and the crop yield was almost as high.

Unlike GM seeds, farmers could also store and replant the local seeds the following year, he added.

Some experts voiced caution over the new variety, however. "By all accounts, the indigenous cotton looks pretty promising, but it will be put to test this year," said Devinder Sharma, an independent food and trade policy analyst. "It's a potential game changer, but it has to succeed first."

Reuters