

Not scared of Monsanto threat'

Its GM cotton seeds helped turn India into the biggest maker of the fibre

The U.S.-based seed company Monsanto is welcome to leave India if it does not want to lower prices of genetically modified cotton seeds as directed by the government, a minister said on Wednesday, in a sign the rift between New Delhi and the firm is widening.

Hindu

The comments come as Prime Minister Narendra Modi's nationalist government expects to develop its own genetically modified (GM) cotton varieties early next year to end Monsanto's dominance; it controls over 90 per cent of cotton seed supply.

New technologies are critical to lifting India's poor farm productivity, although even if India did develop a home-grown GM cotton variety in 2017, it would struggle to sustain a program that needs to refresh seeds every decade or so, experts warned.

The introduction of Monsanto's GM cotton seeds in 2002 helped turn India into the biggest producer of the fiber, while other crops like pulses continue to suffer as transgenic food is banned and local research has stalled.

GENETIC STRAIN
commodity

Despite the gains GM cotton brought for more than 7 million cotton farmers in India, some of them and their associations, including one affiliated to Modi's

ruling party that promotes self-reliance, have complained Monsanto overprices its products.

Under pressure to mollify farmers hit by three straight crop failures due to bad weather, Modi's government has imposed a cut of around 70 per cent in royalties that local firms pay Monsanto for its cotton technology.

India's anti-trust regulator is also investigating whether the company misused its near-monopoly to jack up rates.

A Monsanto joint venture with a local company says it is confident the allegations will be proved groundless.

Monsanto has taken the government to court over the royalty.

Re-evaluate India business

It said in a statement this month it would have to re-evaluate its India business, because it was difficult to bring in new technologies in an "environment where such ar-



A farmer harvests cotton in his field at Nani Kadi village in the western state of Gujarat. — FILE PHOTO: REUTERS

bitrary and innovation-stifling government interventions make it impossible to recoup research and development investments ..."

But Sanjeev Kumar Balyan, the junior agriculture minister, told Reuters the government was trying to rectify what he called past mistakes that allowed a foreign company to dictate seed prices and stifled local crop research.

"It's now upon Monsanto to decide whether they want to accept this rate or not," Balyan said. "If they don't find it feasible, then they are free to take a call. The

greed (of charging) a premium has to end. "We're not scared if Monsanto leaves the country, because our team of scientists are working to develop (an) indigenous variety of (GM) seeds," he said.

A Monsanto spokesman declined to comment beyond the statement, but analysts said it was unlikely to withdraw from India lightly given the huge size of the market and its strategic importance now that China has bid to snap up the company's biggest rival, Syngenta, for \$43 billion. — Reuters

Ensure Monsanto pays: SJM

NEW DELHI: In the backdrop of liquor baron Vijay Malaya leaving India without paying debts, an RSS affiliate today asked the government to ensure seeds company Monsanto does not quit the country without compensating farmers who "suffered" due to the firm's "wrong acts".

Swadeshi Jagran Manch claimed Monsanto was "trying to blackmail the Indian government by threatening to quit India after "constantly violating Indian laws" and collecting more than Rs 6,000 crore from poor farmers across the country.

"SJM demands that government shall take all the

necessary steps to avoid the repetition of Vijay Malaya type escape and Monsanto should not be allowed to quit India without compensating the farmers who suffered severely because of wrong acts of the company," Manch's national co-convenor Ashwani Mahajan said.

Mr. Mahajan said Monsanto and all other such entities, who flout the law of the land for unfair profits, "must understand that they will have to comply with the provisions of the law. Monsanto in particular should be ready to face the consequences of their past unfair practices committed within the territory of India." — PTI

*Checked 18/3/16
An I/C News paper Unit*