

ABLE-AG moves court against Seed Act, pricing in AP, Telangana

KV KURMANATH

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A group of biotech-led seed firms have challenged the validity of Andhra Pradesh Cottonseed Act, Orders and notifications issued over a period of seven years from 2008.

The ABLE-AG (Association of Biotechnology Led Enterprises Limited) has asked the High Court here to declare the Act as "unconstitutional and void."

It also asked the court to suspend an order issued by the Telangana government, fixing the price of cottonseed in May 2015.

The association made Andhra Pradesh and Telangana governments as respondents as both are bound by the Act that the united State of Andhra Pradesh enacted.

The association, which includes Monsanto, Mahyco, Syngenta, Advanta, BASF India, Bayer BioScience and Syngenta, argued that the Act becomes infructuous as the Union government has resumed interest in the issues related to cottonseed.

The association said that the government had brought in the Cottonseed Price Control Order (CSPCO) to enforce a uniform nationwide maximum sale price.

Any State order would become invalid as the national government's order supersedes all regional acts or orders.

As many as nine petitions by various seed firms and associations are pending in the court that basically challenged the State's orders on the seed pricing

and its right to fix the price, including the royalty component.

It, however, said that it reserved the right to challenge the Centre's move to impose a nationwide cottonseed price.

MMB reaction to CPCO

Meanwhile, Mahyco Monsanto Biotech Private Limited (MMB) said it is evaluating the gazette order, notifying the seed price under the new Cotton Seeds Price Control Order.

"Based on our preliminary review, the notification appears to have fixed only the Maximum Sale Price (MSP) of cotton seeds, while only considering the components that constitute this MSP," the company said, responding to the order.

MMB, which sub-licences the technology to seed companies, will be impacted by the order as it drastically cut down the royalty component to ₹49 from ₹184 per packet of 450 gm of seed.

"MMB's writ petition challenging certain clauses of the CSPCO that attempt to fix trait fees and licensing terms is pending before the Delhi High Court," it said.

It argued that such regulation was contrary to the government's policies for promotion of innovation and ease of doing business in the country.

"Trait fees for BollgardII cotton technology are just 1-2 per cent of the total cost of production and are the lowest in the world," MMB claimed.