

HC Grants Interim Stay on Bt Cotton Trait Value Cap

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New Delhi: The Karnataka High Court has granted an interim stay for two weeks on the Union government's decision to control Trait Value, or Technology Fee, on genetically modified Bt cotton seeds, providing temporary relief to US agricultural giant Monsanto. The court, however, said that while selling seed to farmers the companies should not exceed the maximum sale price notified by the Union agriculture ministry early this month.

Meanwhile, in Delhi High Court government lawyers accused Monsanto of forum shopping, which means approaching different courts asking for the same relief on same issues. The court on Wednesday told Monsanto to reply to the government affidavit. It also gave one week's time to the government to file an affidavit stating its objection to Monsanto's writ petition on fixation of Trait Value. The next date of hearing in Delhi High Court is April 7.

The Karnataka High Court had issued its interim order on Monday while hearing a petition filed by Association of Biotechnology Led Enterprises' agriculture focus group (ABLE Ag), challenging the legality and validity of cotton seed price control order 2015 along with subsequent notification issued under it on behalf of seed manufacturing companies that are members of the association.

"Fixation of the Trait Value under the notification dated March 8 shall not be given effect to by the respondents (Union of India through the ministry of agriculture) since it would be a matter between the first petitioner (ABLE Ag), its members including the second petitioner (Namdhari Seeds), and their manufacturers based on the agreements entered into amongst themselves," the court said in an interim order.

"While making seed available to the farmers, the maximum sale price as notified in the notification dated March 8 shall be ensured and it shall not be exceeded," it said.

A Mahyco Monsanto Biotech (India) spokesperson on Wednesday said the company is confident about the merits of its legal claims and "are optimistic that the government will take into account arguments that will result in an outcome that will continue to encourage in-



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novation in Indian agriculture".

On March 8, a formal notification issued by the government had recommended that Bt cotton seeds packets of 450 grams would be sold at a maximum price of ₹635 for Bollgard I version and ₹800 for Bollgard II. The Trait Value (Technology Fee) including taxes were cut to ₹49 from ₹183.46 per packet.

"The honourable High Court of Karnataka, while maintaining the maximum sale price (MSP), has partly stayed the operation of notification till final consideration given to

the merit and legal questions involved in the case," said Shivendra Bajaj, executive director at ABLE Ag. A government lawyer pointed out that the court has upheld the cap on maximum sale price. "This would mean that whereas farmers will get the seeds at lower price, the seed company need not reduce the

trait value as of now," he said.

Agriculture minister Radha Mohan Singh had earlier said that in order to safeguard the interests of the farming community, his department had issued the Cotton Seed Price (Control) Order, 2015, under Section 3 of the Essential Commodities Act, 1955, to regulate Bt cotton seed prices. Mahyco Monsanto Biotech Ltd has licensed Bollgard and Bollgard II cotton technologies to 45 seed companies, with over 100 other seed companies authorised to market and sell cotton seeds. About 90%-95% of the country's cotton area of 11.8 million hectares in the 2015-16 season is under Bt cover.

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