

Govt backtracks on stringent licensing rules for GM seeds

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Barely days after it issued an order laying down rules for the licensing of genetically modified (GM) seed technology, the central government on Monday said the notification will be withdrawn and placed as a draft for public consultation.

The 18 May order issued by the Union agriculture ministry said that GM technology providers could not deny a licence to any willing domestic seed company and royalties could not exceed 10% of the minimum sale price.

The guidelines for Bt cotton technology issued on 18 May will be put in the public domain for 90 days in the same form for comments and suggestions of all stakeholders, said an official statement from the agriculture ministry.

“Other ministries in the government have a different perspective and it was decided to have a wider consultation,” an agriculture ministry official said, requesting anonymity.

“The draft is likely to be put up on the ministry’s website by Tuesday,” he added.

An official with the department of industrial policy and promotion, which overlooks India’s intellectual property rights regime, said on condition of anonymity that the department was not consulted on the new notification.

The U-turn comes after the biotech industry opposed the decision. The Association of Biotechnology Led Enterprises - Agriculture Focus Group (ABLE-AG) called the new order a “huge blow to the innovators in agri-biotech industry”.

“It clearly indicates the intention of the government to disregard research and innovation and thereby not protect intellectual property in the sector,” Shivendra Bajaj, executive director of ABLE-AG, said in a statement issued on Friday.

According to the notification, for any GM trait commercialized in India, the technology provider cannot charge a royalty that exceeds 10% of the maximum sale price of the seeds, which is fixed by the government every year.

The cap of 10% would apply for the first five years. From the sixth year, the royalty would decrease by 10% a year.

Also, the technology provider could not refuse a licence to any eligible Indian seed company. If delayed by more than a month, the licence will be “deemed to have been obtained”.

The order, which relates to future GM traits and advances on existing GM seed technology, follows a dispute with Monsanto India over the royalty and price payable for GM cotton seeds developed by the firm’s US-based parent.

An industry official, speaking on condition of anonymity, said that some companies were learnt to have approached the highest levels of the government and the notification was withdrawn under their pressure.

In March, the government cut the price of genetically modified Bollgard II cotton seeds to ₹800 per 450g packet) from ₹830-1,000 earlier and slashed royalty fees by 74%.

In India, Monsanto Mahyco Biotech (India) Ltd (MMBL), a joint venture between Mahyco Seeds Ltd and Monsanto, licences its patented Bollgard II cotton seed technology to 49 seed companies in exchange for a royalty fee. More than 90% of the cotton grown in India uses this technology.