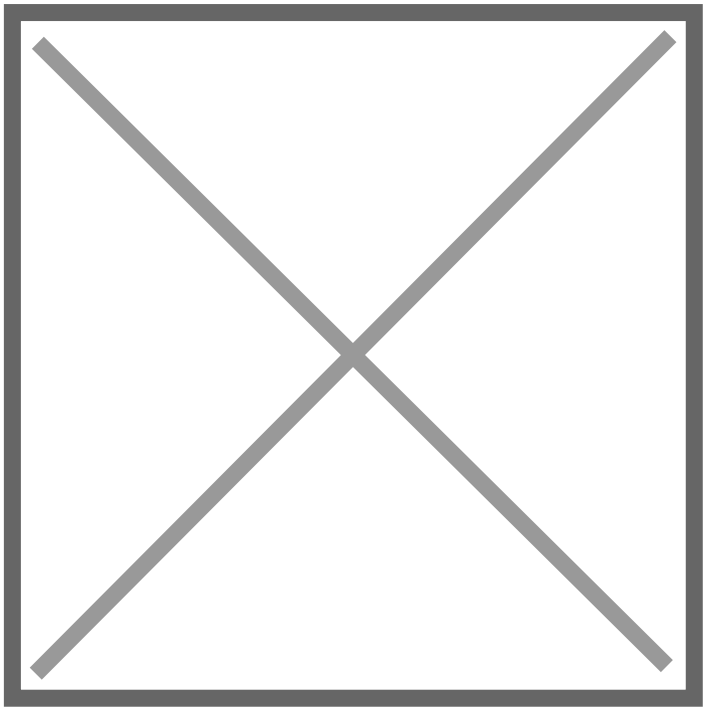
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The Bt Cotton Pioneer

10 August 2004 | News



Rank 16.....Mahyco-Monsanto Biotech

Revenue: 54 crore

The Bt Cotton Pioneer



CEO: Dr MK Sharma

Revenue: 54 crore

Start-up year: 1998

Business: Marketing Bt cotton seeds

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Mumbai - 400 059,
Tel: 91-22-28377040/20,
Fax: 91-22-28356586

Website: www.monsanto.com

Vital stats

Year	Bt cotton# (in hectares)
2004-05*	300,000
2003-04	92,000
2002-03	38,038

area under cultivation
* Projected

Maharashtra Hybrid Seeds Corporation (Mahyco) and Monsanto India formed a 50:50 joint venture called Mahyco Monsanto Biotech (India) Ltd (MMB) to market Bacillus thuringiensis (Bt) cotton hybrid seeds. Named as Bollgard, these hybrid seeds were developed by Monsanto. This joint venture was formed after Monsanto acquired 26 percent stake in Mahyco, involved in developing quality
hybrids.

The Genetic Engineering Approval Committee (GEAC), a key biotech regulator and part of the Ministry of Environment and Forests had permitted the three varieties of first genetically modified cotton, MECH 162, MECH 12 and MECH 184, for commercial cultivation in March 2002 in 70 districts in six states of south, west and central zone of India. At MMB the field and marketing staff are equally distributed between Mahyco and Monsanto India. MMB has sold the entire production of Bt cottonseed that it had produced for distribution during 2002 at a price of Rs 1,600 per packet.

In response to the mixed reaction for the first year's launch of Bt cotton crop, MMB commissioned AC Nielsen to study the benefits of Bollgard in the second year of trials. The study revealed that the marginal farmers gained the most from Bollgard against the medium and larger farmers. It also observed that the farmers cultivating Bollgard appreciated the tangible benefits of technology with reduction in pesticide for bollworm by 60 percent and increase in net profits for farmers by 78 percent.

Inspite of a mixed reaction for Bollgard in the first year of sales, the company was able to increase its sale in 2003. Bollgard sales have increased to 216,000 packets in 2003-04. The sales revenue for the year stood at Rs 34.56 crore, while its total

business on account of sale, royalty and co-licensing was Rs 54 crore.

MMB is also bullish for the current year as the area under Bt cotton hybrid is expected to reach 300,000 hectares as against 38,038 hectare in 2002-03 and 92,000 hectare in 2003-04. However MMB has to take approval from GEAC for the next year as the earlier approval to sell Bollgard was for three years starting from 2002.

Meanwhile, on July 15, 2004 GEAC has approved extensive trials and commercial production of several hybrids of Bt cotton. The approved Bt cotton hybrids include the ones developed by Mahyco-MRC 6304 Bt for central zone and MRC 6918 Bt and MRC 6928 Bt for south zone containing Cry 1Ac gene (MON 531) and MRC 7326 BG-II, MRC 7301 BG-II, MRC 7160 BG-II and MRC 7201 BG-II for central zone and south zone containing stacked genes Cry 1Ac gene and Cry 2Ab gene (Bollgard II). Besides Mahyco, GEAC has given the green signal for large-scale field trials and seed production for 12 varieties of Bt cotton hybrids developed by Rasi Seeds and Ankur Seeds. These Bt cotton hybrids contain the Bt cry 1 Ac gene developed by Monsanto. While Mahyco is Monsanto's partner in India, Rasi Seeds and Ankur Seeds are the sub-licensees of Monsanto.