

Mahyco Monsanto Biotech

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The Enlightener

MMB is ready for the market pull.

Mahyco Monsanto Biotech (India) Ltd (MMB), a 50:50 joint venture between Maharashtra Hybrid Seeds Corporation (Mahyco) and Monsanto India Ltd, reported a turnover of Rs 391.25 crore in 2005-06. It registered a growth of over 140 percent. All this comes as technology transfer fee from the companies that are taking Monsanto's Bollgard (genetically modified cotton) technology.

This growth has been on account of increase in the demand for Bt cotton in India. Bt cotton in India was introduced in 2002. From 72,000 packets (with three approved Bollgard hybrids from Mahyco) sold in 2002, the market grew to 13 lakh packets in 2004 (with four hybrids) and to 31 lakh packets in 2005 (with 20 hybrids). In 2005, 20 hybrids of Bollgard including three approved hybrids of Ankur Seeds and two hybrids of Nuziveedu Seeds were planted across all nine cotton-growing states. Besides, the companies involved in large-scale field trials for bollgard hybrids have also multiplied.

Despite the high seed cost, farmers are demanding Bt cotton seeds, thanks to MMB and its efforts to create the awareness amongst the farmers across rural India. MMB has launched "the Bollgard Kisan Vigyan Jyoti program" in April 2005 to enlighten the farmers. It roped in popular cine star Nana Patekar, to tour the Maharashtra countryside and spread

the word about benefits of biotechnology, with the rural audiences.

The number of players too is on the rise. The Genetic Engineering and Approval Committee (GEAC), which met in May 2006, granted regulatory clearance to 16 new Bollgard cotton hybrids for cultivation in north and central India. With this approval, the total number of Bollgard cotton hybrids has increased to 36 in the 2006-planting season. With this, the number of Bollgard hybrids available in the north and central zone has risen to 12 (from 6) and 22 (from 12) respectively. The approval was given to seven new seed companies-Ganga Kaveri Seeds, Ajeet Seeds, Tulasi Seeds, Vikram Seeds, Vikki's Agrotech, Emergent Genetics India, and Pravardhan Seeds. Maharashtra Hybrid Seeds Co., Nuziveedu Seeds, Ankur Seeds and Rasi Seeds already have the licenses for developing the Bt cotton hybrids using Bollgard technology from MMB.

IMRB International conducted a survey on the outcome of Bollgard technology. The survey reports that farmers have recognized the value of Bollgard, and that it has gained widespread acceptance in the nine states where it is being sold. In order to ensure this value is shared broadly, Monsanto's Bollgard technology has been licensed to 21 different Indian cottonseed companies who have incorporated the trait into their best hybrid seeds and also reduced the technology fees to the seed companies.

MMB has also announced a 30 percent cut in the technology fee charged to seed companies for use of its insect-protected cotton technology from the current season. This has been reduced to Rs 900 per 450gm packet of Bollgard cottonseed. This will give MMB's seed company licensees an opportunity to pass along new savings to farmers if they choose. The government of Andhra Pradesh has approached the Monopolies and Restrictive Trade Practices Commission (MRTPC) in early January 2006 on pricing of Bt cottonseed by MMB and has been asking for compensation to the farmers from the seed company, Mahyco. The Supreme Court will hear an application on June 5, 2006 to stay the order recently issued by the Andhra Pradesh (AP) Agriculture Commissioner specifying a fixed price for Bt hybrid cottonseeds.