

# Seed lobby wants govt to do away with MSP, price-control regime

## Calls for long-term policy direction

**KVKURMANATH**

Hyderabad, August 20

The Federation of Seed Industry of India (FSII) has asked the government to do away with the Cottonseed Price Control order and the minimum support price (MSP). It felt that agriculture should be treated as an industry.

"The government should not interfere in the pricing of agricultural inputs, especially seeds and fertilisers, and leave the pricing to be determined by open markets," it said.

The MSP, it felt, is distorting the market and not benefiting anyone. "It is, in fact, rewarding inefficiencies. Instead of MSPs and subsidies, it can offer a premium over market price to farmers, instead of interfering with the market forces," it said.

The ₹18,000-crore seed industry also called for introduction of a

National Agricultural Policy and expedition of the Seed Bill and Biotech Regulatory Authority of India (BRAI) Bill to ensure policy direction and predictability.

### 'Ineffective regulation'

An ineffective regulatory body, disregard for intellectual property rights and highly unpredictable policies are adversely impacting the fortunes of seed companies and farmers, the Federation of Seed Industry of India (FSII), which represents 41 seed companies, said.

"A policy that provides a long-term vision for research and development, agronomics and climate resilient practices will ensure agricultural security, which is as important as national security. We need an Agricultural Council on the lines of Goods and Services Tax Council to resolve issues related to agriculture quickly," VR Kaundinya, Director-General of FSII, told *BusinessLine*.

The association, formed mostly

by the agri-biotech companies, recently submitted a memorandum to Devendra Fadnavis, the Chief Minister of Maharashtra and the Convenor of the High-Powered Committee of Chief Ministers' for Transformation of Indian Agriculture.

### Biotech regulation

"Biotechnology regulation has not progressed much in the last nine years. As a result technologies such as HT cotton, GM mustard and brinjal haven't progressed much. We need clarity and predictability in approvals," he said.

He claimed that biotech research in agriculture has suffered in the last few years.

The member-companies of FSII represent 65 per cent of the size of Indian seed industry. They constitute close to 75 per cent of about ₹600 crore that seed industry spend on research and development.

"As it is the average quantum of R&D spend by a seed firm is very

low at 3 per cent as against 10-12 per cent globally. There is a huge scope for improvement if proper policies and regulation are in place," he felt.

The government should ease the GM regulatory process. It should declare its GM strategy and intentions very clear to all stakeholders.

The association wants a consultative process to bring alignment and uniformity across States in the implementation of the Seed Act. "Currently, there is a considerable mismatch between States, especially in terms of product approvals for marketing," he said.

### Demand driven agri

"From a production driven agriculture, we are moving to demand driven agriculture. It is important to understand the demand side dynamics by involving the end user industries in planning agricultural production," the association said in the representation to the high-powered committee.