

## Monsanto mulling future in India if government cuts GMO cotton royalty payments

**The GLP aggregated and excerpted this blog/article to reflect the diversity of news, opinion and analysis.**

Monsanto Co, the world's biggest seed company, threatened to pull out of India on [March 4] if the government imposed a big cut in royalties that local firms pay for its genetically modified cotton seeds.

Mahyco Monsanto Biotech (India)(MMB), a joint venture with India's Mahyco, licenses a gene that produces its own pesticide to a number of local seed companies in lieu of royalties and an upfront payment. MMB also markets the seeds directly, though the local licensees together command 90 percent of the market.

Acting on complaints of local seeds companies that MMB was charging high fees, the farm ministry last year formed a committee to look into the matter.

The committee has now recommended about a 70 percent cut in royalty, or trait fee, that the seed companies pay to MMB, government sources said. The farm ministry is yet to take a decision on the committee's recommendation.

"If the committee recommends imposing a sharp, mandatory cut in the trait fees paid on Bt-cotton seeds, MMB will have no choice but to re-evaluate every aspect of our position in India," Shilpa Divekar Nirula, Monsanto's chief executive for the India region, said in a statement.

"It is difficult for MMB to justify bringing new technologies into India in an environment where such arbitrary and innovation stifling government interventions make it impossible to recoup research and development investments," she said.

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Separately, MMB has filed a case in a Delhi court, challenging the authority of the committee to determine the trade fee agreed upon by MMB and a number of Indian seed companies

**Read full, original post:** [Monsanto threatens to exit India over GM royalty row](#)