

## India cancels royalties seed companies pay Bayer for GMO cotton, threatening foreign investment in nation's biotech crop sector

India has axed the royalties that local seed companies pay to German drugmaker Bayer AG for Monsanto's genetically modified (GM) cotton, a government order said, after cutting them back since 2016.

More than 45 local cotton seed companies pay royalties to Monsanto, acquired by Bayer in 2018, for GM cotton using a gene that produces its own pesticide.

The American company was headquartered in St. Louis before Bayer bought it in a \$63 billion deal in 2018 and India's decision to start reducing the royalties triggered a long-running feud.

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The decision could dissuade other foreign seed companies from scaling up their investment in the sector.

New Delhi approved Monsanto's GM cotton seed trait, the only lab-altered crop allowed in India, in 2003 and an upgraded variety in 2006, helping transform the country into the world's top producer and second-largest exporter of the fibre.

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However, Monsanto became embroiled in a dispute with Indian seed company Nuziveedu Seeds Ltd (NSL), which argued that India's Patent Act did not allow Monsanto any patent cover for its GM cotton.