

## MONSANTO BATTLES BIOPIRACY CLAIMS

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Hyderabad: India is asking the local arm of multinational Monsanto Co. to pay a royalty for genetic information that forms the basis of a genetically modified seed sold by the firm here because it believes this information is that of a bacteria found in Andhra Pradesh.

The Andhra Pradesh Biodiversity Board, a statutory body set up by the Union government under the Biological Diversity Act, 2002, is seeking royalty payments from Monsanto India Ltd for genetic information it alleges was ".stolen". from *Bacillus thuringiensis* (Bt) bacteria found in the soils of Mahanandi village in Kurnool district.

This bacteria strain, claims the board, was then used in developing Monsanto's genetically modified, bollworm-resistant Bt cotton seeds sold in India.

A Monsanto executive in charge of sales of its Bt cotton seeds strongly denied the allegation. ".There is absolutely no Bt research which Monsanto is doing in Andhra Pradesh. All Bt research was done in the US" said Raj Ketkar, deputy managing director of Mahyco Monsanto Biotech Ltd, a 50:50 joint venture between Monsanto Holdings Pvt. Ltd and Maharashtra Hybrid Seeds Corp. (Mahyco), which sells Bt cotton seeds in India.

Ketkar added that ".several". of the ".more". than 23 Indian firms to which Mahyco Monsanto sub-licenses Bt cotton sales rights have breeding research facilities in Andhra Pradesh. ".Through what is called as breeding research, these companies cross the parent US Bt cotton seed, which Monsanto developed and provided them, with local disease-resistant varieties of cotton to develop hybrid seeds, which are then sold in India" he said.

All firms to which Mahyco Monsanto has sub-licensed sales rights for Bt cotton pay royalties to it.

We are seeking 1-2% of sales revenue earned from the sale of Bt cotton (seeds) as royalty.

R. Hampaiah Andhra Biodiversity Board Monsanto Holdings, a 100% subsidiary of US firm Monsanto Co. has a 26% stake in Mahyco. It is also present in India through Monsanto India, an India-listed entity that is 72% owned by the US firm, and 28% by public shareholders here.

Board's chairman R. Hampaiah said Bt bacteria found in the soil of Mahanandi in Kurnool district in Andhra Pradesh has been used in developing the indigenous version of Bt cotton capable of resisting Indian bollworm strains. Dubbing Monsanto's act ".bio piracy"., he claimed the company was also using the same technology for developing pest-resistant versions of maize and tomato.

".We are seeking 1-2% of sales revenue earned from the sale of Bt cotton (seeds) as royalty and we have had discussions with the company regarding the same" said Hampaiah, who served as research director at Pioneer Seeds Ltd, a hybrid seeds development company in Andhra Pradesh, between 1981 and 1990. This royalty payment sought by the state is linked to the sales of Bt cotton seeds in India by Monsanto and its associates, according to the board.

Hampaiah claimed that Monsanto officials met the board after coming to know of the board's claim.

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".Monsanto denied stealing any genes but admitted that information regarding the genetic sequence of the Kurnool Bt was used" he added. ".All we are seeking is benefit sharing".

According to Hampaiah, while Monsanto was not willing to consider royalty payments, it offered to build roads and contribute to other physical and social infrastructure in the Mahanandi area as part of benefit sharing, which, he said, was not adequate in the board's assessment.

If Monsanto doesn't comply, Hampaiah added, the board will seek legal action. Lawyers representing the board are in the process of consulting legal experts in the US where Monsanto has a patent relating to Bt cotton, he said, claiming a legal case against Monsanto could be filed in the next couple of months.

Monsanto Holdings' wholly-owned, research and development unit Emergent Genetics India Pvt. Ltd has operations in five different locations in Andhra Pradesh including Kurnool, according to Rimmi Harindran, a Monsanto spokesperson. Harindran denied the meeting that Hampaiah claims took place, adding meetings on other issues with the board may have taken place. She added the company has also not received any official communication from the board on this issue.

While Monsanto doesn't disclose details of the amount it earns from sales of Bt cotton seeds, financial daily BusinessLine reported on 8 September, quoting industry sources, that 27 million packets of Bt cotton hybrid seeds worth at least Rs2,000 crore were sold in the current season. A 1-2% royalty on that could work out to Rs10-20 crore.

Monsanto India says on its website that there has been a 58% or 2.95 quintals per acre increase in yield when farmers use Bt cotton seeds, translating into a profit increase for farmers of Rs5,950 an acre. Besides increase in yield, there was also reduction of an average four-five pesticide sprays against bollworm translating to a saving of Rs1,137 per acre.

The genetically modified seeds have come under fire from environmental groups and consumer organizations that allege that they ".contaminate". existing cotton strains and are overpriced.

This is the second time a government body here is getting into a legal tangle with Monsanto. In January 2006, the state government filed a case against a few firms including Monsanto, before the Monopolies and Restrictive Trade Practices Commission, or MRTPC, alleging that the Bt cotton seed price at Rs1,850 for a 450g packet was ".abnormally high"..

After the commission, India's apex body that looks at issues related to competition, cartelization, and pricing, ruled that May in favour of the government, Monsanto appealed in the Supreme Court, which refused to intervene in June 2006, resulting in the company having to comply with Rs750-a-packet price fixed by the state government.

Shares of Monsanto India fell 6.75%, or Rs83.25, to close at Rs1,150.10 on the Bombay Stock Exchange on a day when the bourse's benchmark index moved up 0.40%.

**Source URL:** <http://nwrage.org/content/monsanto-battles-biopyracy-claims>

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