

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:43

ANSWERED ON:01.08.2011

FDI IN VARIOUS SECTORS

Acharia Shri Basudeb;Dome Dr. Ram Chandra;Mohan Shri Malik Sakti

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) whether the Government allows hundred percent Foreign Direct Investment (FDI) in development of seeds, horticulture and planting materials without any restrictions;
- (b) if so, the details thereof;
- (c) whether this measure is likely to adversely affect the Indian seed manufacturers and put the peasants may at the mercy of Multinational Companies for the supply of seeds;
- (d) if so, whether the Government is considering any measures to promote and protect the industrial and agricultural development in the country; and
- (e) if so, the details thereof?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): As per the extant Foreign Direct Investment (FDI) policy, FDI, up to 100%, under the automatic route is permitted in the following activities in the 'Agriculture & Animal Husbandry' sector:

- I. Floriculture, Horticulture, and Cultivation of Vegetables & Mushrooms under controlled conditions;
- II. Development and production of Seeds and planting material;
- III. Animal Husbandry (including of breeding of dogs), Pisciculture, Aquaculture under controlled conditions; and
- IV. Services related to agro and allied sectors.

Besides the above, FDI is not allowed in any other agricultural sector/activity.

For companies dealing with development of transgenic seeds/vegetables, the following conditions apply:

- (i) When dealing with genetically modified seeds or planting material the company shall comply with safety requirements in accordance with laws enacted under the Environment (Protection) Act on the genetically modified organisms.
- (ii) Any import of genetically modified materials if required shall be subject to the conditions laid down vide Notifications issued under Foreign Trade (Development and Regulation) Act, 1992.
- (iii) The company shall comply with any other Law, Regulation or Policy governing genetically modified material in force from time to time.
- (iv) Undertaking of business activities involving the use of genetically engineered cells and material shall be subject to the receipt of approvals from Genetic Engineering Approval Committee (GEAC) and Review Committee on Genetic Manipulation (RCGM).
- (v) Import of materials shall be in accordance with National Seeds Policy.

'Cultivation under controlled conditions', for the categories of Floriculture, Horticulture, Cultivation of vegetables and Mushrooms, is the practice of cultivation wherein rainfall, temperature, solar radiation, air humidity and culture medium are controlled artificially. Control in these parameters may be effected through protected cultivation under green houses, net houses, poly houses or any other improved infrastructure facilities where microclimatic conditions are regulated anthropogenically.

(c) to (e): No, Madam. Around 60% of seed production in the country is in the public sector. The FDI regime for the seeds sector will complement and supplement the existing capacity for seed production in the country.