

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:961
ANSWERED ON:20.03.2012
HIGH PRICES OF SEEDS
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether farmers in the country go into more debt since the signing of initial contracts for `crop packages` of genetically modified seeds like Bt. Cotton, that require a companion herbicide for best results;
- (b) if so, the details thereof;
- (c) whether farmers have to buy expensive seeds from seed companies which is a breach of contract with them;
- (d) if so, the details thereof;
- (e) whether rural farmers are compelled to deal with private money lenders to borrow loan in the absence of official document of their lands; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) & (b): No, Madam. Bt. Cotton is the only crop approved for commercial cultivation in nine states by the Genetic Engineering Approval Committee (GEAC) notified as per the provisions of 'Rule 1989 for the Manufacture, Use/Import/Export and Storage of Hazardous Micro Organisms/Genetically Engineered Organism of Cells' under the Environment (Protection) Act, 1986. The Bt. cotton hybrids approved till date do not require any herbicide, in addition, to those required by their non Bt counterparts for enhancing the results. Also, Cotton farmers in the country are not required to sign any contract.

(c) & (d): No, Madam. Indian farmers have a wide choice of seeds to buy from, ranging from varietal seeds to Bt cotton seeds. More than 500 different type of seeds produced by around 50 Indian companies are available for farmers to choose from. By use of high quality hybrid cotton seeds Indian farmers experienced the biggest gain in form of reduced insecticide usage from 46% in 2001 to less than 26% after 2006 and 21% during the last two years 2009 and 2010. Introduction of Bt. cotton hybrids has helped in production increase from 156 lakh bales (170 Kg lint per bale) in 2001 to an estimated 356 lakh bales in 2011. Bt. cotton was introduced in 2002 and the area increased from 0.29 lakh hectares in 2002 to 95.04 lakh hectare in Kharif 2011 (Target). The productivity was 309 Kg per hectare in 2001 before the introduction of Bt. cotton which increased to 495 Kg/ha in 2010.

(e) & (f): No, Madam. The limit of collateral free farm loan has been raised from Rs. 50,000 to Rs. 1,00,000. In addition, Government has taken several measures for improving agricultural credit flow and bringing down the rate of interest on farm loan. The Interest Subvention Scheme is being implemented by the Government of India since 2006-07 to make short-term crop loans up to Rs. 3.00 lakhs for a period of one year available to farmers at the interest rate of 7 per cent per annum. The Government of India has since 2009-10 been providing additional interest subvention to prompt payee farmers, i.e. those who repay their loan in time. The additional subvention was 1% in 2009-10 and 2% in 2010-11. This has been increased to 3% in 2011-12. In addition, the Government is implementing revival package for Short-term Rural Cooperative Credit Structure involving financial outlay of Rs.13, 596 crore. Twenty five State Government have signed Memorandum of Understanding with Government of India and NABARD. As on January 2012, an amount of Rs.9002.98 crore has been released by NABARD as Government of India's share for recapitalization of 53205 Primary Agricultural Cooperative Societies (PACS) in seventeen States.