

Date: 21.04.2020

To,
The Joint Secretary - Seeds
Department of Agriculture, Cooperation and Farmers Welfare
Ministry of Agriculture & Farmers Welfare
Govt. of India
Krishi Bhawan, New Delhi

Respected Sir,

Sub: Policy changes in Seed Sector - suggested by NSAI

Please refer to our telephonic discussion on the issues from NSAI for policy change and reforms in Seed sector. In this context, our suggestions are as under-

1. Arrangement for adequate low interest working capital and soft loans for building infrastructure and investments in R&D. Classify all loans to seed companies as Agriculture and keep in highest priority. Capital subsidy for seed Infrastructure shall be provided to the extent of 25%.
2. Need of Central licensing for seed companies having operations of R&D, Production, processing and marketing seeds in multiple states.
3. There should be Uniform procedure and requirements for seed license or new variety inclusion in license throughout the country for all states.
4. 100% FDI in seed sector may not be allowed. Indian citizen should have controlling stake in a seed company with foreign investment. Such restrictions exist in China and many SE Asian countries.
5. SMEs in Seed sector should be encouraged for quality seed production by providing free access to seed quality testing through encouraging set up of third party Seed Testing Laboratories accredited by NABL.
6. R&D investment by SME companies with 100% shareholding by Indian citizens shall be reimbursed to the extent of 50%. This encourages local companies to do more

R&D. More PPP with Govt. agri research institutes shall be encouraged again with private companies with 100% local shareholding.

7. Special economic zones may be identified for seed production and export to encourage seed production for export.
8. Varietal testing fees in ICAR AICRIP trials should be reduced and rationalized (for seed companies with 100% local ownership) so that a large number of seed companies can test their varieties at maximum locations.
9. Policy & procedures for Custom seed production of foreign varieties exclusively for export purpose should be made.
10. ICAR and SAUs shall focus on development of human resource requirements of seed industry through constant interaction with industry to make their syllabus and courses current to Industry needs.
11. **Dispute resolution regarding Income Tax:** NSAI proposed resolution, recommendation also issued by DACFW but is pending with CBDT. This may be resolved by bringing a rule like in case of Coffee, Tea or Rubber so as to tax about 20% income as seed production which is agriculture in nature also, involves processing, packing and labeling as per Seeds Act.
12. The only IPR protection available for seeds and Plant Varieties including transgenic plant varieties is under PPVFRA. All trait licensing including GM traits shall be as per section 26 of PPVFRA. Section 3(j) of Indian Patent Act (which excludes seeds and plant varieties) shall be enforced in letter and spirit in India so as to stop monopolies in seed industry which is detrimental to farmers or national agriculture as well.

We hope that DAC&FW will consider all the above mentioned points and take necessary Policy reforms for the growth of Indian Seed sector.

Thanking you,

Yours sincerely,



M Prabhakar Rao
President