

IMPORTANCE OF RESEARCH AND INTRODUCTION OF NEW VARIETIES & ROYALTY

**AN OVERVIEW FROM FARMER'S
PERSPECTIVE**

INTRODUCTION



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OFFERS TECHNICAL, LEGAL ,COMMERCIAL AND FINANCIAL
CONSULTANCY INCLUDING LOAN SYNDICATION FOR ULTRA HIGH
VALUE PROJECTS UPTO 1000 MILLION INR**

STATUS

- Farming community is under distress
- Poor surplus
- Farmer desires to invest in protection technologies like net house, poly house, new varieties for risk mitigation
- Has to compete with farmers of west to export.
- Farmers fail to get best quality seeds due to high cost

STATUS

- Farmers can't produce quality produce hence cant sell in international market leading to domestic glut.
- Farmer strongly desires for seeds of high quality & desirable traits.
- Farmer desires to purchase seeds at very affordable rates as he has no surplus.

Breeding & R &D costs

- Breeding new variety is long drawn activity and attracts high R&D costs.
- Breeding companies desires to retrieve R&D costs, over heads and earn profits at the earliest.
- This plan makes the seeds to cost more for farmers

SEED INDUSTRY

- India is a big market for seeds from the point of volume & value
- Govt has made certain interventions to bring down the costs
- This lead to support to farmers and heart burn for seed industry

SEED INDUSTRY STATUS

- USD 5.5 Billion in 2021
- Expected growth USD 11.3 billion in 2027
- Growth 12.5%(CAGR) during 2022-27
- MNC seed companies operate in many countries and have large market to distribute risk

COMPANY ANALYSIS

- Companies are professionally strong
- Has good investment capacity
- Can mitigate risks by playing in different markets
- Problems faced are: distribution issues
- Short shelf life of seeds
- unpredictability of demand
- Lack of effective monitoring at dealer level
- lack of infrastructure
- Poor extension
- Main strength is **BRAND IMAGE & QUALITY**

ANALYSIS OF FARMER

- POOR & NO CAPACITY TO INVEST
- POOR EDUCATION
- POOR SURPLUS GENERATION
- SUFFERS FROM POOR KNOW HOW
- MOSTLY SMALL & MARGINAL FARMER
- POOR IRRIGATION FACILITY & OTHER INFRA
- AFFECTED BY POOR MARKET SUPPORT
- EXPLOITED TO THE HILT FROM ALL FRONTS

CHANGE EXPECTED

- IN HOLDING PATTERN, CONSOLIDATION OF LAND
- CORPORATE FARMING/CO OPERATIVE FARMING CAN BRING:
- STRENGTH, BARGAINING POWER, INVESTMENT POWER, PROFESSIONAL MANAGEMENT, EASE IN BRINGING INVESTMENT, EMPLOYMENT GENERATION

EXPECTATIONS OF FARMERS

- WANTS BEST SEEDS WITH DESIRED TRAITS
- WILLING TO PAY HIGHER PRICE
- WANTS HIS SURPLUS TO GO UP

SUGGESTIONS

- TO INCREASE PAY BACK PERIOD OF R&D EXPENSES UPTO 8-10 YEARS
- GOVT HAS TO WORKOUT COST OF PROD/R&D EXPENSES VIS A VIS SELLING PRICE FOR EACH VARIETY
- PROVIDE FUND AT SUBSIDIZED RATE AT 5-6% pa CONSIDERING LIBOR/SOFR RATES(5.43% FOR 1 YEAR)
- IF R&D, SEED MULTIPLICATION DONE ON INDIAN SOIL PROVIDED CHEAPER FUNDS
- IF SUCH SEEDS/PLANTS EXPORTED, PROVIDE INCENTIVES LIKE LOW COST FUNDS, AIR/SEA FREIGHT SUBSIDY

SUGGESTIONS

- MEASURES HELP TO GET CHEAPER FUNDS FOR R&D, EMPLOYMENT GENERATION, HELPS TO EARN FOREX, KEEPS RETAIL SEED PRICE UNDER CHECK BY INTERVENTION
- WIN WIN SITUATION
- GOVT SHOULD MANDATE GOVT RESEARCH INSTITUTIONS/ UNIVERSITIES TO BREED INTERNATIONAL QUALITY SEEDS FOR DOMESTIC AND EXPORT MARKET

SUGGESTIONS

- PROVIDE UPTO 25 ACRES LAND FREE FOR R&D UNITS, PROCESSING UNITS, PACKING UNITS
- DEFER TAXES(IT) FOR 5 YEARS FOR EACH VARIETY RELEASED PROPORTIONATELY
- OFFER 25% SUBSIDY ON CAPITAL GOODS INVESTED AND FOR MODERNIZATION AS IN TEXTILE SECTOR

SENSITIZE

- GOVT SHOULD SENSITIZE SEED INDUSTRY:
- FOR SOCIAL RESPONSIBILITY,
- ENVIRONMENTAL CONCERNS
- PROTECTING & PERMITTING GENETIC DIVERSITY TO EXIST
- TO HAVE FARMER & FARMER CENTRIC CORPORATE OBJECTIVES