

## **BT COTTON IN THE TIME OF CANCUN**

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One of the important details of the failed Cancun meeting was the African protest against the huge American subsidies on cotton that put the African cotton farmers out of business. The rejection by the US of the African demand was bad enough, it was accompanied by the insensitive American counter that the Africans should diversify their agriculture and invest in processing (set up textile mills) to cope with the situation. This spurning of the African demand was one of the key reasons why the Africa group led by Kenya walked out of the Green Room discussions, triggering the collapse of fifth ministerial of the WTO. The cotton issue did not receive much attention in the Indian media since this was an African story and our issues were different. However, the cotton issue is of central importance to us as a cotton producing country and one that is adopting a controversial new technology, Bt cotton, allegedly to alter the method of cotton production in India.

Bt cotton, India's first ever GM crop has been closely watched. A lot has been written about the failure of Monsanto's Bt cotton in the six states it was grown. The Genetic Engineering Approval Committee (GEAC) has been questioned on why it sanctioned a cotton variety that was known to be a poor performer. Two misguided scientists from an American university, Martin Qaim and David Zilberman published a methodologically flawed, widely criticised paper stating that Monsanto's Bt cotton nearly doubled cotton yields in India. Monsanto has been flooding the market with its own version of the performance of Bt cotton (flying in the face of all existing evidence) and there is the runaway variety of Navbharat Seed Company, the illegal Navbharat 151, spawning ever new generations of mutant Bt cottons. Amidst this happening scenario, I would like to take the reader back to one of the first questions posed by Gene Campaign when the release of Bt cotton, pushed (not so discreetly either) by the Department of Biotechnology, looked imminent.

At the time Gene Campaign had questioned the wisdom of promoting Bt cotton in the agricultural system of small farmers in India for a variety of reasons, including the fact that the market for cotton in India was unstable and diminishing. What, Gene Campaign asked, was the point of promoting the allegedly superior Bt cotton which was supposed to increase cotton yields, when farmers were unable to sell what they were producing today. Having travelled extensively through Vidarbha and the cotton belt in Maharashtra and seeing mounds of cotton dumped in the open, with no takers, the question seemed obvious. Maharashtra has a compulsory procurement scheme for cotton whereby the government is committed to pay the cotton farmers a minimum price for the cotton produced, since there are few buyers in the open market. This compulsory procurement scheme has been in existence for nearly fifty years. The last few years, the Maharashtra government, teetering on the edge of bankruptcy, has found it near impossible to fulfil its commitment, causing heartburn and distress among farmers.

On the other hand, India, which has traditionally been an exporter of cotton and was one until recently, is now the third largest importer in the world. The highly subsidised cotton from the US and China is being imported into India, putting the cotton farmer in India out of business and driving him to suicide. US cotton imports into India more than doubled in just one year, from about 21, 000 thousand tonnes in 1999 to nearly 49,000 tonnes in 2000. Cotton is an important beneficiary of the massive agricultural subsidies of the US, which makes the American cotton price unrealistically low and impossible to compete with, as the Africans know and as we do too but mysteriously choose to ignore while promoting Bt cotton. China

is the other major player in cotton. It subsidises its cotton production to the tune of \$1.2 billion, its subsidies being second only to the US and it is a major exporter of cotton to India.

Alarmingly, the international situation with respect to cotton does not look good either. There is a glut in the market largely because of heavily subsidised, cheap American cotton having flooded the market. According to the International Cotton Advisory Committee, there are huge unused stocks of cotton left over from earlier production because of a slump in global demand. This slump in global demand is likely to continue and perhaps worsen because of the increasing availability of synthetic fibres at decreasing rates. In the upper consumer bracket, there is the offer of a range of new fibres like micro fibre and technologically structured fabrics, which are durable, fashionable and friendly to the skin.

So where does India's Bt cotton fit into this scenario? Both the US and China, which grow massively subsidised cotton, dump their unnaturally priced cotton onto the world market. And India mindlessly imports this cheap cotton from the US and China, on the one hand and promotes Bt cotton for its small farmers on the other. The problem is that India does not support its cotton farmer at all, casting him more or less to the American and Chinese wolves. India does not provide credit; it does not provide insurance, or compensation at the time of crop failure. It does not take action against the producers of spurious pesticides; a principal reason identified for the suicide deaths in Andhra Pradesh. India has not taken any action against fly by night operators who supply spurious seeds, causing farmers to have poor crops. In brief, the cotton farmer is left to fend for himself.

When Monsanto's Bt cotton failed in Kharif 2002, the government took no action to bring the culprits to book. The Indian law now has a clause for compensation for spurious seeds, thanks to the efforts of civil society groups. According to the Plant Variety Protection and Farmers' Rights Act, 2001, Clause 39(2) of the act states that: "*Where any propagating material of a variety registered under this Act has been sold to a farmer or a group of farmers or any organization of farmers, the breeder of such variety shall disclose to the farmer or the group of farmers or the organization of farmers, as the case may be, the expected performance under given conditions, and if such propagating material fails to provide such performance under such given conditions, the farmer or the group of farmers or the organization of farmers, as the case may be, may claim compensation in the prescribed manner before the Authority....*"

Despite this provision, Monsanto goes unpunished and the burden of the failed Bt crop is placed squarely on the farmer. Putting aside the poor Monsanto variety for now, let us assume that better Bt cotton varieties will come on the market since these are in the pipeline. The question really to ask is whether introducing Bt cotton is a sensible strategy at all, given the unfocussed, ad hoc policy with respect to cotton in India, the depressed global demand and the massive subsidies provided by China and the US.

The fact is that we are faced with a grim situation with respect to cotton production in India and we need to find a way to proceed. Mindlessly adopting Bt cotton is not the answer. A rational policy could follow one of two paths, either to promote indigenous cotton production or to rely on imports. The first approach would need to promote the time tested methods of cotton production which the small farmers can afford (unlike the exorbitant Bt cotton), backed by protection for the farmer by ensuring the quality of inputs. A ban on cotton imports or allowing imports only to the extent of making up the shortfall in domestic production, would allow farmers to sell their cotton since domestic textile demand is substantial. The second policy option would be to give up the emphasis on cotton, rely on

imports and help farmers to diversify to other cash crops that are more profitable. A successful diversification is being attempted in Punjab, that is amongst other things, also a cotton region, and there could be lessons to be learnt there.

In any case what needs to be scrapped immediately is the currently irrational approach of running with the hare and hunting with the hound. If Bt cotton has a role to play in India, it will have to be assessed in the context of a comprehensive cotton policy for the nation. It cannot be an unthinking knee jerk reaction to fancy foreign technologies, the way it is today.

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