

BGII cottonseed retail price hiked by ₹37/ packet

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The Union government has increased the price of BGII (Bollgard-II) cottonseed price by ₹37 to ₹901. For BG-I, the price has been fixed at ₹635 per packet. The seed industry, however, has expressed disappointment over the “paltry” increase, saying that it doesn’t cover the costs.

“The price increase of ₹37 per packet of BG II is less than the amount required to restore financial viability of cottonseed companies and research investment in cottonseed,” Ram Kaundinya, a leader of the Federation of Seed Industry of India (FSII), told *businessline*.

SQUEEZED OUT

The FSII represents the research-led agribiotech com-

panies in the country. Cottonseed price, excluding the trait fee, has increased from ₹751 per packet in 2016 to ₹864 in 2024.

“It is increased to ₹901. This is a compound annual growth rate of 1.8 per cent a year. During this period, agri wages have gone up 120 per cent, and fertiliser prices doubled. These cost increases have squeezed out the profitability of the cottonseed industry,” he felt.

“During the same period, the MSP for cotton rose by over 70 per cent from ₹4,160 per quintal to ₹7,121 a quintal in 2024, putting pressure on the cottonseed industry to increase seed procurement prices,” he said.

INADEQUATE

He felt that a price of ₹1,020 per packet would have restored normalcy. “The price (₹901) is disappointing. We



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wish the government understood the crisis in the cotton sector and announced a more comprehensive package of measures, including appropriate seed prices in cotton,” he said. The National Seed Association of India (NSAI), which repres-

ents seed producing companies, too felt that the new price is inadequate.

“It is inadequate, considering we got only one per cent CAGR growth in price increase in the last 10 years. We asked for an increase of ₹150 but what we got is only

₹37,” NSAI President M Prabhakara Rao said.

He felt that this could lead to poor flows into research and development.

“Inadequate investment in R&D by the industry will impact the development of new varieties and could lead to insufficient seed production. This could, in turn, lead to shortages in the market,” he said.

The All-India Kisan Sabha (AIKS) has criticised the decision. “This move will push cotton farmers into further deep crisis,” AIKS General Secretary Vijoo Krishnan said.

“The increase should be seen in the context of a 5 per cent raise made already in 2023-24. Given that, on average, about 4.5 crore packets are sold annually, one can imagine the humongous profit earned by seed companies,” he said.