

## Report of the Parallel Session

### Challenges and Opportunities to Trade in Rice Seeds between India and Bangladesh

*under the auspices of*

8<sup>th</sup> International Conference of Asian Society of Agricultural Economists

*Organised by*

CUTS International, Jaipur, India

Friday, October 17, 2014

*BRAC Centre for Development and Management, Savar, Dhaka, Bangladesh*

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## 1. Background

1.1 The Asian Society of Agricultural Economists organised its 8<sup>th</sup> International Conference during 15-17 October, 2014 at BRAC Centre for Development and Management, Savar, Dhaka. The theme of the conference was ‘viability of small farmers in Asia’. The ‘conference theme’ was divided into eight sub-themes, namely Transformation of Agrarian Structure in Asia; Farm Size and Productivity Revisited; Institutional Innovations and Development of Markets for Agricultural Services; Agricultural Value Chain: Linking Small Farmers to Markets; Migration, Gender and Farming Systems; Rural Non-farm Economy: Multi-Occupation Strategy for Sustaining Livelihoods; Lessons from Agricultural Policy Adopted by Japan and South Korea; and lastly, Public Policy for Supporting Small Farms.

About 150 agricultural economists from Asia and other parts of the world participated and presented their research papers in the conference.

## 2. CUTS’ Parallel Session

2.1 CUTS International in association with *Unnayan Shammanay* organised a parallel session titled “Challenges and Opportunities to Trade in Rice Seeds between India and Bangladesh”. The session was linked to a project ‘Addressing Barriers to Rice Seeds Trade’ being implemented in the four states of India and in Bangladesh. The primary purpose of the session was to present and highlight findings emerging from the implementation of project activities. Further, it was intended to gather inputs from experts towards formalisation of trade and know in inbred rice seeds between the two countries.

2.2 Considering that trade and cooperation between the two countries is *inter alia* dependent on four major issues – understanding reasons for informal trade in inbred rice seeds; availability of surplus and efficient supply chain; harmonisation of seed laws and certification processes; and resolving IPR and related issues – the session covered each of these issues. There was one presentation on each issue.

2.3 Four presentations were made at the parallel session moderated by Sushil Pandey, Independent Researcher, (former Sr. Economist, International Rice Research Institute). These included: 1) Trade in seeds of inbred rice varieties between India and Bangladesh: Why has it remained informal? By Suresh P Singh, Policy Analyst CUTS International; 2) Rice seed chain in India: Does exportable surplus of rice seeds exist? By Debdutt Behura, Orissa

University of Agriculture and Technology, Bhubaneswar, Odisha; 3) Intellectual Property Rights on Rice Seeds in Bangladesh and India by A K Enamul Haque, Unnayan Shamannay; 4) Harmonisation of varietal release/ testing procedures in India and Bangladesh by M G Neogi, Consultant, STRASA, IRRI).

2.4 The parallel session was attended by around 25 participants from around the world, including experts from India and Bangladesh. Some of the important participants include Mahabub Hossain, Adviser to the Executive Director, BRAC; Sushil Pandey, former Sr. Social Scientist, International Rice Research Institute; Debdudd Behura, Orissa University of Agriculture and Technology; A K Enamul Haque, East West University, Dhaka; M G Neogi, International Rice Research Institute; Shaheen Ul Alam, *Unnayan Shamannay* and CUTS' team members involved in the project in various capacities.

### **3. Major Highlights and Observations from the Parallel Session**

#### *3.1 Why has trade in inbred rice seed remained informal?*

It was highlighted that even though trade relations between India and Bangladesh seem to be quite impressive with regard to overall seeds, trade is conspicuous by its absence when it comes to inbred rice seeds. Apparently, Bangladesh imports 13 different types of seeds from India – total value of imports by Bangladesh from India is estimated to be \$1.6mn in 2012-13. Trade is, however, restricted to non-inbred and non-rice seeds.

Various reasons could be cited for the above mentioned outcome. Some major ones include:

- Inbred rice seed being a notified crop, import is not allowed by both India and Bangladesh. However, possibility of import of a limited quantity for trial is not ruled out. After a given period of trial, if found suitable, the variety needs to be produced locally;
- Both the countries, particularly Bangladesh are relatively better placed in inbred rice seeds. Bangladesh produces more than half of the required quantity;
- Adaptability of varieties released in both the countries has prompted the farmers and the traders to trade and to exchange the inbred rice seeds informally. This reduces the need for formal trade and cooperation;
- Issues relating to Intellectual Property Rights (IPR) constrain formal trade and cooperation in rice seeds;
- Lack of harmonisation of laws and seed certification procedures also work as a constraint;
- There is fear of market dominance amongst the seed producers and traders in both the countries.

It is noted that in the light of changing global seed dynamics and adverse impacts of climate change, there is need for formal trade and cooperation between the two countries.

#### *3.2 Availability of surplus for trade and cooperation*

There exists surplus in inbred rice seeds, particularly in India, which could be used for trade, as total supply exceeds total requirements. However, surplus is not a necessary condition for trade. Moreover, what is of greater importance is the need for creating an enabling environment for trade and cooperation? There are several adaptable inbred rice seed varieties available in India and Bangladesh, which could be used to increase yield in the two countries. In addition, it will also help in creation of a better supply chain, making desired varieties available and accessible to larger number of farmers in the two countries.

### *3.3 Need for harmonisation of seed laws and certification processes*

India and Bangladesh are very close as far as agricultural conditions in both the countries are concerned. There are several evidences to suggest that the inbred rice seeds released in India and Bangladesh are adaptable to local conditions. Prevalence of informal trade is one such evidence. It should be noted that parental lines of most of the inbred rice seeds comes from a single source namely International Rice Research Institute (IRRI). Besides, IRRI is developing and in fact released several varieties – submergence, drought and salinity resistant – which are useful for many countries in South Asia, including India and Bangladesh. Adapting these varieties at country level requires changes in policy and practice by the governments in the South Asia region.

Creating enabling environment for trade and cooperation – ensuring adequate availability and accessibility of rice seeds – calls for initiatives towards mutual recognition of released varieties and harmonisation of laws and seed certification procedures. It was highlighted that lessons learnt from experiences of other countries may be of relevance for promoting the trade and cooperation in rice seeds.

### *3.4 Making IPR work for trade and cooperation*

It was highlighted that the IPR and related issue seem to be one of the important reasons, which hinder formal trade in rice seeds between the two countries. Newly released rice seed varieties are usually subject to patent, royalty, copy rights, and therefore import or export of seeds might not be readily acceptable solution. There is a need for both the governments to have an appropriate framework which, while protecting the interests of the developers, facilitates cooperation between the two countries. Further, it was noted that fortunately for the farmers, the governments in the two countries have started discussions on how to promote cooperation in varietal development, recognition of varieties and seed exchange.

One important issue that came up for discussion was the need of a policy to decide as to what type of seeds i.e., export potentiality and the need to export the breeder seeds or certified seeds were discussed.

To resolve the issue relating to the IPR, it was highlighted that inbred rice seed, being a high volume low value item, it could be helpful if owner (innovator) of a particular inbred variety provides licence to the local producer(s) – research institutions and agricultural universities – in other country, and allows seeds to be produced locally. Usually, trade in goods with high volume low value content is difficult to come by. Licencing is one potential solution to IPR issue. Most importantly, the opinion was corroborated by Mahabub Hossain, a leading global expert on inbred rice seeds.

## **4. Individual Presentations**

Besides the parallel session, two presentations were made by CUTS RISTE project team based on the findings of the project ‘Addressing Barriers to Rice Seeds Trade between India and Bangladesh’. The focus of the first presentation by Suresh P Singh was ‘India Bangladesh Cooperation in Rice Seed: Need for Structural Changes’; while the second one by Saurabh Kumar ‘Agricultural Input and Output Trade in South Asia: Challenges and Opportunities’ focussed on input-output trade. Both the papers were well received by the audience.