

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
STARRED QUESTION NO. 111
TO BE ANSWERED ON THE 30TH JULY, 2024

CONTRACT FARMING

*111. SHRI MALVINDER SINGH KANG:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether contract farming is banned in the country and if so, the details thereof;
- (b) whether the Government is aware that various Companies are involved in the work relating to contract farming in different parts of the country;
- (c) if so, the details thereof, State-wise including in the State of Punjab, district-wise;
- (d) the steps taken by the Government to identify such companies and the action taken/proposed to be taken against them; and
- (e) If not, the reasons therefor?

ANSWER

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI SHIVRAJ SINGH CHOUHAN)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 111 FOR ANSWER ON 30TH JULY, 2024 BY SHRI MALVINDER SINGH KANG ON “CONTRACT FARMING”.

(a) to (c): Agriculture & Agriculture Marketing is a state subject. The Government has made provisions for Contract Farming, in the Model APMC Act, 2003 and circulated to the States for their adoption. Further, the Government has formulated and released a progressive and facilitative Model Act “The State/ UT Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018” in May, 2018 for its adoption by the states/Union Territories (UTs). The Model Contract Farming Act, 2018 covers the entire value and supply chain from pre-production to post-harvest marketing including services contract for the agricultural produce and livestock. States who have made provisions for the Contract Farming in their State APMC Acts, have been implementing contract farming in their States. Data on contract farming across different States are not maintained centrally.

(d) & (e): The Model Law, 2003 with reference to contract farming, *inter-alia*, provides for an institutional arrangement for registration of sponsoring companies, recording of Contract Farming Agreement, indemnity to farmers’ land and lays down a time-bound dispute resolution mechanism. In case of disputes, farmers can approach the Authorities as prescribed in the respective state’s legal framework.
