

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:49  
ANSWERED ON:23.02.2010  
CORPORATISATION OF AGRICULTURE SECTOR  
Mishra Shri Govind Prasad

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the Government has received suggestion to corporatise the agriculture sector;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the Government proposes to promote contract farming; and
- (d) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (d): Government has not received any specific suggestion to corporatize the agriculture sector. However, the National Policy for Farmers (NPF), 2007 recognizes the need for setting up Farmers' companies to benefit the small and marginal farmers for gaining efficiency and economies of scale in their farming operations. At the same time NPF, 2007 also suggests promotion of cooperative farming and service cooperatives, group farming by self help groups, small holders' estates, contract farming and state farms for the same objective in the interest of small and marginal farmers.

In order to encourage contract farming, provision on contract farming agreement and its model specifications, to protect the interest of both farmers and sponsors of contract farming, have been made in the model Agricultural Produce Market Committee (APMC) Act circulated to all the states during 2003. Most of the states have already made contract farming provision in their APMC Act/Rules.