

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:380
ANSWERED ON:07.07.2009
CONTRACT FARMING
Swamygowda Shri N Cheluvarya Swamy

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether contract farming is being carried out on a large scale in some of the States;
- (b) if so, the details thereof;
- (c) whether the farmers are suffering huge losses in the absence of a law on contract farming;
- (d) if so, the details thereof;
- (e) whether the Union Government has urged the States to enact a law on contract farming; and
- (f) if so, the steps taken by the States in this regard?

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): No, Madam.
- (b): Question does not arise.
- (c): No, Madam.
- (d): Question does not arise.

(e) & (f): With a view to promote contract farming as part of the reforms in agriculture, the Central Government has circulated a Model Agricultural Produce Marketing (Regulation) Act to the States in 2003 which provides for the registration of contract farming sponsors and recording of contract farming agreements with the Agricultural Produce Marketing Committee (APMC) or a prescribed authority under the Act, protection of title or rights of the farmers over the land under such contracts, dispute settlement mechanism and a model draft agreement suggesting various terms and conditions. To help States in the formulation of Rules in this regard, the Ministry of Agriculture has also circulated a set of Model APMC Rules to them for adoption. By now, relevant provisions have been made by several State Governments/Union Territories for contract farming in their respective APMC Acts for providing a legal framework to contract farming. The Model Act circulated by the Ministry is suggestive in nature, and, since Agriculture is a State subject, it is for the State Governments to decide on the implementation, intermediation and monitoring of the contract farming arrangements in their States.