

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3386  
ANSWERED ON:30.11.2010  
CONTRACT FARMING  
Bajwa Shri Partap Singh

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

- (a) whether there is any proposal to experiment with contract farming to help develop the marketing links that are necessary for raising the efficiency of agriculture;
- (b) if so, the details thereof; and
- (c) if not, the manner in which the Government proposes to address the problems related to contract farming?

**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 (c): Yes, Madam. Agricultural Marketing including contract farming is regulated by the State Governments under their respective Agricultural Produce Marketing (Regulation) Act. In order to facilitate the State Governments, Government of India had prepared and circulated Model Agricultural Produce Marketing (Development and Regulation) Act, 2003 to all the States for their suitable adoption. The Model Act provides for registration, recording and resolution of dispute between the contracting farmers and sponsors. So far 18 States have provided for contract farming under respective State Agricultural Produce Marketing Committee (APMC) Acts through amendments (Annexure). In seven States/Union Territories (UTs), there is no APMC Act, therefore there is no restriction on contract farming in such States/UTs. The contract farming is intended to develop the marketing links that are necessary for raising productivity in agriculture.