

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3043
ANSWERED ON:24.04.2012
COMMERCIAL AND CONTRACT FARMING IN HORTICULTURE
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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government proposes to promote commercial and contract farming particularly of horticulture produce for the benefits of farmers in the country;
- (b) if so, the details thereof;
- (c) whether some corporate houses and multinational companies have evinced their interests in this sector;
- (d) if so, the reaction of the Government thereto;
- (e) whether the Government has formulated any scheme to promote agriculture based industry in the country; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) & (b): Yes, Madam. Government has been promoting commercial farming of horticulture produce. Under the scheme of "Development of Commercial Horticulture through Production and Post Harvest Management" financial assistance is provided to farmers for hi-tech commercial horticulture production, post harvest management, primary processing and marketing infrastructure etc. The financial assistance is provided in the form of credit linked back ended subsidy @20% of the total project cost limited to Rs.25.00 lakh per project in general areas and Rs.30.00 lakh per project in North East Region, Hilly and Scheduled areas.

In order to promote market reforms for facilitating alternative marketing channels such as contract farming, a model Agricultural Produce Marketing Committee (APMC) Act has been circulated to all the States and Union Territories in 2003 for its adoption. The model Act provides amongst other the detailed provision of contract farming. The States which have adopted contract farming provisions are: Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim, Mizoram, Tripura, Punjab, Uttarakhand, Haryana and Union Territory of Chandigarh. The contract farming provisions are intended to promote marketing of agricultural produce including horticulture produce.

(c) & (d): Yes, Madam. The Government has been promoting commercial farming and contract farming of horticulture produce in the country.

(e) & (f): Yes, Madam. Government has been promoting primary processing and value addition of agriculture based industry in the country. Under the scheme of Development/Strengthening of Agriculture Marketing Infrastructure, Grading and Standardisation (AMIGS), assistance is provided for development of agriculture marketing infrastructure projects in agriculture and allied sectors including that for dairy, meat, fisheries and minor forest produce. Under the scheme of National Horticulture Mission, assistance is provided for development of cold chain and primary processing facilities for the horticultural produce.

Ministry of Food Processing Industries also provides assistance for Cold Chain, Value Addition and Preservation Infrastructure with the objective of promoting integrated cold chain and preservation infrastructure facilities from the farm gate to the consumer.