

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:278
ANSWERED ON:06.08.2013
CONTRACT FARMING
Reddy Shri Mekapati Rajamohan

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government proposes to encourage contract farming in the country in consultation with the State Governments;
- (b) if so, the details thereof; and
- (c) the progress, if any, made in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a): Yes, Madam.

(b) & (c): In order to regulate the working of contract farming, the Ministry of Agriculture in consultation with the States has framed Model State Agricultural Produce Marketing (Development and Regulation) Act, 2003 and Rules, 2007 for their adoption. The Model Act, Inter-alia, provides for the registration of contract farming sponsors, recording of contract farming agreements and dispute settlement mechanism. It also provides for protection of title or rights of the farmers over the land under such contracts to protect the interest of farmers.

Since, under item 28 of Seventh Schedule of Constitution on Markets and Fairs, agriculture marketing is a State subject, therefore, Ministry of Agriculture has been actively pursuing the States and Union Territories to amend their State APMC Acts including contract farming. The State Governments of Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Nagaland, Orissa, Rajasthan, Sikkim, Mizoram, Tripura, Tamil Nadu, Punjab, Uttarakhand and Haryana have made legal provision for practice of contract farming under their respective State Laws.