

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

RAJYA SABHA
UNSTARRED QUESTION NO. 487
TO BE ANSWERED ON THE 07/02/2025

CONTRACT FARMING

487. SHRI C. VE. SHANMUGAM:

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) whether contract farming is allowed in the country;
- (b) if so, the details thereof;
- (c) if not, the action proposed to be taken against those who are engaging in contract farming;
- (d) whether Government is aware that some companies are venturing into contract farming; and
- (e) if so, the details thereof and the action taken against such companies?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE
(SHRI RAMNATH THAKUR)

(a) to (e): Agriculture and Agriculture Marketing is a state subject. 15 States and Union Territories (UTs) have made enabling provisions for contract farming provisions in their APMC Acts. Contract farming, inter alia, provides for an institutional arrangement for registration of sponsoring companies, recording of contract farming agreements and indemnity to farmers' land. Any disputes arising out of contract are resolved as per the arbitration and dispute resolution mechanism specified therein.
