

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURAL RESEARCH & EDUCATION

**LOK SABHA**  
**STARRED QUESTION NO. 6**  
TO BE ANSWERED ON 02/02/2021

**COURSES ON CONTRACT FARMING**

**\*6. SHRI HANUMAN BENIWAL:**

Will the Minister of AGRICULTURE & FARMERS WELFARE  
कृषि और किसान कल्याण मंत्री be pleased to state:

- (a) whether any courses regarding contract farming are being run in educational departments of various agricultural institutes under the Union Government/ICAR etc.;
- (b) if so, the details including location of such institutes along with the time since when the said courses are being run;
- (c) whether any research has been conducted regarding contract farming sector; and
- (d) if so, the details of the case studies/research papers in this regard?

**ANSWER**

THE MINISTER OF AGRICULTURE AND FARMERS WELFARE  
कृषि और किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

**(a) to (d):** A Statement is laid on the Table of the House.

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**STATEMENT IN RESPECT OF PARTS (a) to (d) OF LOK SABHA STARRED  
QUESTION NO. 6 TO BE ANSWERED ON 02/02/2021 REGARDING  
“COURSES ON CONTRACT FARMING”**

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(a) Yes, Sir. Contract Farming is being offered in Under Graduate (UG) and Post-Graduate (PG) programmes of Agriculture and Allied Sciences as a part of the following courses:

1. Entrepreneurship Development and Industrial Consultancy (UG)
2. Fundamentals of Extension and Rural Development (UG)
3. Agricultural Marketing & Price Analysis(PG)
4. Market Led Extension Management (PG)

(b) The courses of UG programmes, developed by the Fifth Deans' Committee, are being offered by all the agricultural universities since 2016.

The Division of Agricultural Economics, ICAR-Indian Agricultural Research Institute (IARI), Pusa, New Delhi is running a course on “Agricultural Marketing & Price Analysis” where contents related to reforms in agricultural marketing, Agricultural Produce Market Committee (APMC) regulated markets, direct marketing, contract marketing, supply chain management etc are being taught to PG students specializing in the discipline of Agricultural Economics. This course is being regularly offered in the Division since more than 10 years.

In Division of Agricultural Extension at IARI the concept of Contract farming is discussed as an approach in the course on “Market- led Extension Management”. This course is being regularly offered in the Division since more than 10 years. Further, the Contract Farming was offered as an elective subject for two Batches of Post Graduate Diploma in Management (Agriculture) (PGDMA) during 2009-11 and 2010-12 at ICAR-NAARM, Hyderabad.

(c) Yes, Sir.

(d) The details of studies conducted on contract farming are listed below:

1. A Case Study on Suguna Poultry Production through Contract Farming in Andhra Pradesh conducted by ICAR-National Academy of Agricultural Research Management, Hyderabad
  - Poultry growers entered into contract farming model were benefited in terms of
    - a) higher income
    - b) assured market
    - c) price stability
    - d) credit facility in kind

- This study highlighted the following advantages:
    - a) good income opportunity
    - b) quick realization of working capital
    - c) marketing of the produce
    - d) price incentives in case of fluctuations
    - e) improving the living standards of farmers
2. Assessment of Socio-Economic Status of Contract and Non-Contract Goat Farmers of Odisha: A Comparative Study by ICAR-Indian Veterinary Research Institute, Izzatnagar- Bareilly, Uttar Pradesh  
The study demonstrated the following advantages:
- Under contract farming in goat husbandry, the net returns are more as compared to non-contract farming.
  - Contract goat farming was adopted by the landless and marginal tribal farmers.
  - Contract goat farming had encouraged resource poor people to adopt goat farming whose ancestors had not reared goat.
3. Study carried out contract and non-contract broiler farming system in Azamgarh and Varanasi districts of Uttar Pradesh by ICAR-Indian Veterinary Research Institute, Izzatnagar- Bareilly, Uttar Pradesh
- The study highlighted the following:
    - a) Contract farmers were assured of genuine inputs in the form of feed, chick crops and veterinary aids
    - b) Compared to contract farmers, the non-contract farmers were affected by marketing related problems
  - Non-contract farmers have faced the following risks:
    - a) investment risk,
    - b) production risk and
    - c) market risk.
4. Study on contract dairy farming by ICAR-Indian Veterinary Research Institute, Izzatnagar- Bareilly, Uttar Pradesh
- The role of contract dairy farming involves government and private participation along with the rural workers.
  - It helps in getting good quality, sufficient, timely and cost-effective raw material.
  - It increases the cost efficiency and uniformity of products by coordination and management at each production stage.
  - Contract farming in dairy sector helps in infrastructure facility development, transfer of technology and sectoral cum target oriented policies and programme with a basic thrust towards food security, poverty alleviation and rural livelihood.

5. Impact of contract farming on basmati rice cultivation by ICAR-Indian Agricultural Research Institute, New Delhi

- Major factors responsible for farmers' participation in the contract farming were:
  - a) Company guidance for scientific method of cultivation
  - b) Higher price for produce received from contracting firm
- Farmers were found willing to go for the contract farming if it includes buy-back arrangement.
- Net returns over total cost was Rs 99,587/ha in contract farming as compared to non-contract (Rs 86,920/ha) farming.

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