

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2920
ANSWERED ON:03.09.2007
LAND-HARE COMPANIES OF FARMERS
Rao Shri Kavuru Samba Siva

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has initiated any scheme to allow farmers to form land-share companies in collaboration with the corporates;
- (b) if so, the details thereof and the benefits likely to accrue therefrom alongwith the guidelines issued in this regard;
- (c) the steps taken to fully operationalise the said scheme; and
- (d) the provision made to protect the interest of petty farmers from foul play of the corporate sector?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): Government has no scheme to allow farmers to form land-share companies in collaboration with the corporates. However, Ministry of Agriculture is promoting contract farming in the country, in which corporate agencies or others enter into agreement of purchase of agricultural produce with the producers.

(b) to (d): In order to put required system in place for contract farming, suitable provisions have been included in the Model Agricultural Produce Market Committee (APMC) Act formulated by the Ministry of Agriculture in 2003 and circulated to the State Governments for considering suitable amendments in their concerned Act by adopting those provisions. The Model Act provided for the registration of contract farming sponsors and recording of contract farming agreements with the APMC or a prescribed authority under the Act, protection of title or rights of the farmers over the land under such contracts, dispute settlement mechanism and a model draft agreement suggesting various terms and conditions.

The model act circulated by the Ministry is suggestive in nature, and, since agriculture is State's subject, it for the State Governments to decide on the implementation on the contract farming arrangements in their State.