

Data Gaps on Contract Farming in India

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Contract farming is an institutional form of procurement of agricultural commodities for agro-processing/marketing firms. Contract farming arrangements (CFAs) are expanding across the country. There is the absence of a database on contracting firms, farmers, crops, acreage and production under CFAs at the state or national levels. Although States have been amending the APMR Act and rules for making provisions of contract farming, the response from contracting firms is not encouraging. The study seeks to understand the data gaps and suggests measures to overcome them. There is a need to make contract farming regulations more participatory. Awareness campaigns are needed to make farmers aware about their rights. Improved compliance by firms shall facilitate the creation of the database of firms, farmers, acreage and production of crops.

I Definition and Interdependence in Contract Farming

Contract Farming (CF) is defined as “an agreement, oral or written, between farmer or farmer groups and processing and/or marketing firms, commercial or otherwise, for the production and supply of agricultural products under pre-specified conditions, frequently at predetermined prices. The arrangement could also involve the purchaser providing a degree of production support through, for example, the supply of inputs and the provision of technical advice. The basis of such arrangements is thus a commitment on the part of the farmer to provide a specific commodity in quantities and at quality standards determined by the purchaser and a commitment on the part of the company to support the farmer's production and to purchase the commodity” (Narayanan 2011). Through CF the farmers get the required assistance in the form of quality inputs, extension services and assured market for their output, while the company gets assured supply of raw materials. Such inter-linked input and output markets contracts can

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