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great by
deeds, not by
birth"

-Chanakya

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India's Contract Farming Act – A Critical Assessment

Sthanu R Nair¹

Reddy Sai Shiva Jayanth²

Deva Prasad M³

¹Professor, Economics, Indian Institute of Management Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673 570, India; Email - srn@iimk.ac.in, Phone Number - 0495-2809124

²Doctoral Scholar, Economics, Indian Institute of Management Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673 570, India; Email - reddys10fpm@iimk.ac.in

³Associate Professor, Humanities & Liberal Arts in Management, Indian Institute of Management Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673 570, India; Email - devaprasad@iimk.ac.in, Phone Number - 0495-2809427

Abstract

“The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Act, 2020” is an important legislative landmark in the context of Indian agricultural policy. The major concerns relating to the adoption of the contract farming system in the Indian context are proposed to be resolved through the enabling legislative measures proposed in the Act. This article critically examines the various provisions contained in the Act to assess its potential in mitigating the key concerns of adopting the CF practice in India. The analysis involving stakeholder consultation reveals that, despite certain shortcomings, the Act fills the existing legal-gap in regulating contract farming system and provides a practical legislative framework for adopting contract farming system in India by balancing the interests of the two key stakeholders – farmers and firms - involved in the system. The scope and relevance of the Act could be improved further by addressing the concerns and suggestions emanating from the stakeholder consultation.

Keywords: Agri-business, Contract farming, Regulatory Legislation, Act on Contract Farming, Model Contract Farming Act, India

Research Office

Indian Institute of Management Kozhikode

IIMK Campus P. O.,

Kozhikode, Kerala, India,

PIN - 673 570

Phone: +91-495-2809237/ 238

Email: research@iimk.ac.in

Web: <https://iimk.ac.in/faculty/publicationmenu.php>

