

CONTRACT FARMING

Section- 22-N of APMC Act,

1961 22-N. Contract farming

- (1) Contract farming buyer shall register himself with the market committee in such manner as may be prescribed.
- (2) The contract farming buyer shall get the contract farming agreement registered with the market committee. The contract farming agreement shall be in such form, containing such particulars and terms and conditions as may be prescribed.
- (3) Notwithstanding anything contained in contract farming agreement, no title, rights, ownership or possession of contract farming producer on his land under contract farming shall be transferred or alienated or vest in the contract farming buyer or his successor or his agent as a consequence arising out of the contract farming agreement.
- (4) If any dispute arises between the parties in respect of the provisions of the agreement either of the parties may submit an application to the market committee to arbitrate upon the disputes. The market committee shall resolve the disputes after giving the parties a reasonable opportunity of being heard.
- (5) The party aggrieved by the decision of the market committee under sub-section (4) may prefer an appeal to the Director within thirty days from the date of decision. The director shall dispose off the appeal after giving the parties a reasonable opportunity of being heard and the decision of Director shall be final.
- (6) The decision of the market committee under sub-section (4) and decision in appeal under sub-section (5) shall have force of the decree of a civil court and shall be enforceable as such and decretal amount shall be recovered as arrears of land revenue.
- (7) Disputes relating to and arising out of contract farming agreement shall be settled in accordance with the provisions made herein above and shall not be called in question in any civil court.
- (8) The agricultural produce under contract farming may be sold to the contract farming buyer at places other than the market yard except in market proper. The market fee shall be payable by the contract farming buyer of agricultural produce at the rates prescribed under section 17 and in such manner as may be prescribed.
- (9) Contract farming agreement may be made for fruits, vegetables, medicinal plants or aromatic plants and such other agricultural produce as may be specified by the State Government from time to time by notification in the Official Gazette.

Rule- 57-A of APMC Rules,

1963 57-A. Contract

farming

- (1) The contract farming buyer, shall apply for registration in Form XIII to the market committee in whose area he wants to enter into contract farming agreement.
- (2) The market committee shall, thereupon register such person as contract farming buyer.
- (3) The contract farming agreement shall be in Form XIV
- (4) The contract farming buyer shall get the contract farming agreement registered with the market committee in whose area the land of the contract farming producer is located.
- (5) The agreement shall be written on stamp paper of the value of Rs. 100/-
- (6) A separate agreement shall be made for each contract farming producer. In case one contract farming producer, he has more than one farm falling in the area of different market committees, a different agreement for each farm shall be made.
- (7) The agreement may be for a season or a year but not more than 5 years. In case of long term free crop, the agreement can be for a period mutually agreed to by the parties.
- (8) The agreement shall be presented before the market committee for registration, along with a registration form in form XV.
- (9) Separate registration form shall be filled for each agreement.
- (10) The market committee shall register the agreement and issue a registration certificate in form XVI.
- (11) The market committee shall charge Rs. 10/- as registration fee for each agreement.
- (12) The market committee shall maintain a register for registering the agreements in Form XVII.
- (13) The contract farming buyer shall abide by all the provisions of the Rajasthan Agricultural Produce Markets Act, 1961, the Rajasthan Agricultural Produce Markets Rules, 1963 and the bye-laws of the market committee concerned.
- (14) The contract farming agreement shall not come into force until the contract farming buyer pays such part of the contracted amount to the contract farming producer as may be agreed mutually.
- (15) The contracting price shall be higher than the minimum support price or the model price, whichever is higher, for the contracted agricultural produce during the previous harvest season, in the market committee concerned.

Note:- For the purpose of this rule model price shall mean the price at which the maximum transactions (sale & purchase) take place.

(16) Contract agreement shall not contain, any provision of penalty on the contract farming produce if the fails to supply the contracted agricultural produce mentioned in the contract agreement due to natural calamities.

(17) In case the contract farming buyer fails or refuses to purchase the agreed quantity of the agriculture produce from the contract farming producer, he shall pay the amount of the difference between the agreed price and the actual sale price of the contracted produce in the market committee concerned to the producer.

(18) In the eventuality of the contract farming purchaser"s refusal to buy the contracted produce, the same shall be sold by auction by the market committee concerned and the amount shall be given to the contract farming producer.

(19) The contract farming buyer shall furnish an undertaking equal to 20% of the value of the contracted amount i.e. the value of the contracted quantity, multiplied by the contracted price, with the market committee concerned. The amount of the under-taking shall be utilised by the market committee to compensate the contract farming producer in the eventuality of refusal by the contract farming purchaser to purchase the contracted produce. If the difference between the agreed price and sale price is more than the 20% of the value of the contracted amount, the difference amount shall be payable by the contract farming buyer to the producer within 15 days from the date of claim of the amount of difference.

(20) In case the contract farming producer fails or refuses to provide agricultural produce to he contract farming buyer as specified in the agreement, he shall be liable to make payment of the amount of difference between the agreed price and the average market price of the contracted produce during the agreed period of supply in the market committee concerned to the buyer.

(21) The market fee for contracted agriculture produce shall be paid by the contract farming buyer at the rates as notified under Sec. 17 of the Act. The date on which the supply of the contracted agriculture produce, in total or in-part has been made to the contract farming buyer shall be considered as the date of sale. The market fee payable on the purchase during the month, shall be paid by the contract farming buyer to the market committee upto 7th of next month by Demand draft. He shall also furnish details of market fee in the Performa specified by the Director. If the contract farming buyer fails to deposit market fee within the aforesaid period, he may deposit market fee with a late fee at the rate of 2% per month or part thereof on due market fee due within first 3 months and thereafter at the rate of 3% per month or part thereof on marked fee due upto the end of the financial year. If contract farming buyer fails to deposit market fee and late fee in the above prescribed time, the market committee shall initiate action against the contract farming buyer as per provisions of the Act and Rules/Bye- laws made there under and due amount shall be recovered with the interest at the rate of 3% per month up to date of recovery from the date of market fee is due.