



"Education through self-help is our motto"-Karmaveer



Rayat Shikshan Sanstha's



# **Abasaheb Marathe Arts & New Commerce, Science, College Rajapur(Vikhare-Gothane)**

Reaccredited with 'B' Grade by NAAC

## **Challenges Before The Agriculture In Maharashtra The Proceeding of National Seminar**

7<sup>th</sup> & 8<sup>th</sup> March, 2014

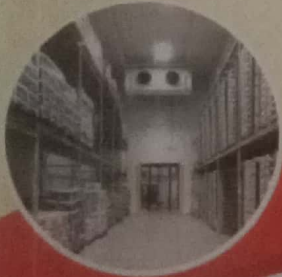
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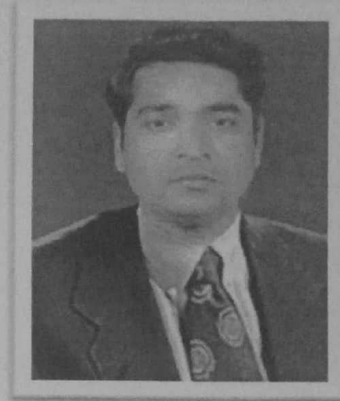
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**Organized by**

Abasaheb Marathe Arts & New Commerce, Science College,

Rajapur, Dist. Ratnagiri, Maharashtra - 416702





### **Message**

Rayat Shikshan Sanstha's Abasaheb Marathe Arts, Science & new Commerce College, Rajapur. Has One Day National Seminar on the theme of "Challenges before the Agriculture in Maharashtra" by the Department of Economics, on 7<sup>th</sup>, 8<sup>th</sup> March, 2014

Action speaks louder than words, we still stand by our baseline. Slowly, but surely we are headed in the right direction whether it is in the area of Agricultural Economics. This seminar will provide a platform to discuss debate & research on major issues related to national seminar sub themes.

We have received great co-operation of Dr. D. D. Kurlapkar Principal Abasaheb Marathe Arts, Science & new Commerce College, Rajapur. I am also thankful to all teaching and non-teaching staff of our college.

### **Convener**

**Mr. S. A. Bhandare**

Assistant Professor,  
Department of Economics



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## Contract Farming: Advantages and Disadvantages

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### Prologue :

India has Well-known as agrarian economy. Agriculture are the backbone of the Indian economy. Agricultural Sector Contributing nearly 14% Share to GDP. After the Liberalization, privatization and globalization of the post WTO system have created new market opportunities and challenges before the Agricultural Sector.

The process of Contract Farming in India Rural Economy is a new concept. Contract Farming is a mixture of agriculture reforms and a large business opportunity. The role of contract farming in India rural economy is becoming more and more significant, since systematized farming preparation has become the need of the period in the world of rapid industrialization. With the liberalization of India economy, there has been a sudden emission in contract farming in India.

### ❖ ADVANTAGES OF CONTRACT FARMING

1. Contract farming are increased private sector investment in agriculture sector and bring about a focus in terms of crop collection and cultivated area by Indian farmers.
2. Contract Farming are generate a steady income source of the farmers, growths of production thus reducing the burden on the food Purchasing system.



3. Contract Farming are supporting processing & wrapping method of the food items and making them good-looking thus will be help to grow the market.
4. Contract Farming are creating productive employment in rural societies, mainly for landless agricultural labour and thus reducing seasonality related with such employment. It decreases migration from rural areas to urban areas.
5. Contract Farming are encourages rural self-reliance. Nearby available resources & expertise to meet new technology and therefore facilitates investigation. Newer markets are available as well as innovative marketing policies.
6. Contract Farming are investments and builds abilities. Focus shifts from values to revenues per acre – driven by improved productivity. It encourages long term planning and investments.
7. Contract Farming are gives entree to a consistent of market, delivers definite and immovable pricing structures, and most prominently provides access to credit, inputs and production facilities like seed, fertilizer, training, extension.
8. Farmer are gets publicity to world class agro technology thus crop nursing technical advice free at his doorstep.
9. Contract Farming are supply strong disease free crop is available. In short contract farming clearly offers many opportunities for small farmers.

#### ❖ Disadvantages of Contract Farming

1. The contract farming is extra beneficial for big farmers in relationships of production so the small earn less income in comparison to large farmers.

2. Mainly In India there are no strict rules and regulations regarding the fulfillment of the contract, which results in the failure of the contract.
3. The farmers are many in comparison to corporate buyers. This results it creates monopoly of buyers.

## CONCLUSIONS

It can be concluded that small farmers are face numerous difficulties in getting agricultural input supply of the suitable quality and price. It is suggested that, these small farmers should participate vertically by creating contracts particularly with intermediaries, who can deliver for them also inputs.

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