

## Market Linkages through Contract Farming: A Way to Transform Indian Agriculture

***Shubhangi Salokhe<sup>1,2</sup>***

*<sup>1</sup>Symbiosis Skills and Professional University, India*

*<sup>2</sup>E.U. Business School, Germany*

Indian farmers are facing many challenges when they sell their farm produce in the markets. Farmers are not connected to food processors or organized retailers. Contract farming is an important non-conventional marketing arrangement through which farmers can do direct marketing of their farm produce. The objectives of this study are to find out the performance of contract farming operating in the region and to study challenges faced by the farmers. The present study is explorative research in nature and data is collected from 1086 farmers from 9 talukas of Pune district. It is evident from the study that farmers are not much aware about contract farming. Only a few farmers are aware about

contract farming, however they do not want to do it because they do not fully understand and appreciate the significance of contracts. Another important reason is agriculture commodity prices are vulnerable to price fluctuations and only 'A' grade produce is accepted by the company and farmer himself has to take efforts to sell his 'B' and 'C' grade farm produce. There is a need to encourage farmers to do contract farming by providing necessary information, to train them for overcoming challenges faced while using the contract farming marketing models and to train them for developing contract negotiation skills.