

अनुबन्ध खेती को बढ़ावा देने हेतु विधेयक के प्रस्तावित आलेख पर सुझाव आमंत्रित

किसान की छोटी जोतों पर आधुनिक कृषि तकनीकी अपनाने, बाजार जोखिम एवं प्राकृतिक आपदा से संरक्षण देते हुए उनके उत्पाद का उचित मूल्य दिलाने एवं प्रायोजक को अपेक्षित गुणवत्ता एवं मात्रा में कच्चा माल उचित मूल्य पर समय से उपलब्ध कराने हेतु भारत सरकार के मॉडल अनुबन्ध खेती अधिनियम 2018 के आधार पर "उत्तर प्रदेश कृषि उपज और पशुधन अनुबन्ध खेती और सेवायें (संवर्धन और सुविधा) विधेयक, 2020 प्रस्तावित है।

2. प्रदेश में अनुबन्ध खेती से सम्बन्धित पक्षों की कार्यशाला मण्डी भवन, लखनऊ में आयोजित की गयी जिसमें एफ0पी0ओ0, प्रगतिशील कृषकों, निर्यातकों एवं प्रसंस्करणकर्ताओं एवं विषय विशेषज्ञों द्वारा प्रतिभाग किया गया। प्रतिभागियों में महाराष्ट्र सहित राष्ट्रीय कृषि विपणन संस्थान, जयपुर के विशेषज्ञ, एपीडा प्रतिनिधि, बासमती निर्यात विकास प्रतिष्ठान, मोदीपुरम मेरठ, निदेश कृषि, विपणन एवं निरीक्षण निदेशालय लखनऊ के प्रतिनिधि आदि प्रमुखता से सम्मिलित हुए।

3. उपरोक्त प्राप्त सुझावों के आधार पर अन्य हितधारकों के साथ भी विचार-विमर्श कर विधेयक का प्रस्तावित आलेख तैयार किया गया है।

4. विधेयक का प्रस्तावित आलेख आम जनता एवं सम्बन्धित पक्षों के अवलोकनार्थ कृषि विपणन एवं कृषि विदेश व्यापार निदेशालय उ0प्र0 की वेबसाइट www.upkrishivipran.in एवं कृषि विभाग की वेबसाइट <http://upagripardarshi.gov.in> एवं मण्डी परिषद की वेबसाइट <http://upmandiparishad.upsdc.gov.in/> पर उपलब्ध/ अनुरक्षित कराया जा रहा है।

5. अनुबन्ध खेती के सम्बन्धित पक्षों से दिनांक 03 जून, 2020 तक सुझाव/प्रस्ताव निदेशक, कृषि विपणन की ई-मेल agmdvipran@gmail.com एवं हार्ड प्रति में कार्यालय पते (चतुर्थ तल, किसान मण्डी भवन, विभूति खण्ड, गोमती नगर लखनऊ-226010) पर सादर आमंत्रित हैं।

प्राप्त सुझावों पर विचार करते हुए शीघ्र ही प्रदेश में किसानों के हितार्थ अनुबन्ध खेती अधिनियम को अन्तिम रूप प्रदान किया जायेगा।

Proposed Draft of Bill for Discussion

“The Uttar Pradesh Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Bill, 2020”

A BILL

Be it enacted by the Uttar Pradesh State Legislature in the Seventy first year of the Republic of India as follows:

CHAPTER –I

PRELIMINARY

Short title,
extent and
commencement

1. (1) This Bill may be called “**The Uttar Pradesh Agricultural Produce & Livestock Contract Farming and Services (Promotion & Facilitation) Bill,2020**”.

(2) It extends to the whole of Uttar Pradesh.

(3) It shall come into force on such date as the State Government may, by notification, appoint.

Definition

2. In this Bill, unless the context otherwise requires-

(a) “**Agreement**” means the Contract Farming Agreement between the Contract Farming Sponsor, who offers to participate in any component or entire value chain including pre-production, nursery/ hatchery/breeding & purchase the agricultural produce and/or livestock and/or its product, and the Contract Farming Producer, who agrees to produce the crop and/or rear the livestock, under which the production/rearing and marketing of an agricultural produce and/or livestock and/or its product, as the case may be, is carried out as per the provisions laid down in the Agreement not inconsistent with this Bill or any other law for the time being in force. Agreement also includes the Agreement between Services Contract Sponsor or such other Sponsors and Farmer(s) / FPO made under this Bill;

(b) “**agriculture**” means and includes growing or cultivation of plants or produce of agriculture, horticulture, apiculture, sericulture, or permissible forest species, or of medicinal & aromatic usage, or any other such activity for the purpose of seed/plantation material, food, fodder, fiber, bio-fuel and also raw materials for agro-industries as decided by contracting parties under section 3 for the purpose of this Bill;

(c) “**agricultural produce**” includes all produce, whether minimally processed or not, of agriculture, horticulture, apiculture, sericulture, permissible forest species and medicinal & aromatic plants, or any other such produce like seedlings/saplings raised in nursery as planting material, as decided by contracting parties under section 3 for the purpose of this Bill;

- (d) **“Authority”** means dispute settlement Authority constituted under section 23 (1) of this Bill;
- (e) **“Board”** means Uttar Pradesh Contract Farming and Services (Promotion and Facilitation) Board established under section 16 of this Bill;
- (f) **“Chairperson”** means Chairperson of the Uttar Pradesh Contract Farming and Services (Promotion & Facilitation) Board appointed by Government under section 17(1) of this Bill;
- (g) **“Company”** means a company incorporated under the Companies Act, 1956 as amended from time to time or under any other law for the time being in force;
- (h) **“Conciliation committee”** means committee constituted by Government under section 22 for the purpose of this Bill;
- (i) **“Contract”** means law enforceable agreement made under this Bill;
- (j) **“Contract Farming”** means farming by a Contract Farming Producer as specified under Agreement with Contract Farming Sponsor to the effect, that agricultural produce and /or livestock and /or its product shall be purchased by the Contract Farming Sponsor or by duly authorized agent there for, as specified in the Agreement;
- (k) **“Contract Farming Producer”** means a farmer or FPO/FPC, who has agreed to produce/rear the crop and/or livestock and/or its product, as specified and in the manner set forth in the agreement and supply the same to the Contract Farming Sponsor, or Services Contract Sponsor or such other Sponsors, as the case may be, or duly authorized agent there for, as specified in the Agreement;
- (l) **“Contract Farming Sponsor”** means a person who has entered into Contract Farming Agreement under this Bill;
- (m) **“District Appellate Authority”** means the authority constituted by Government under section 24 (2) for the purpose of this Bill;
- (n) **“farmer”** means a person, who is engaged in production of agricultural produce or rearing of livestock by himself or by hired labor or otherwise, including lessee, tenant and sharecropper;
- (o) **“Farmer Producer Company (FPC)”** means a company of farmer producer members as defined in Section IXA of the Companies Act, 1956, including any amendments thereto, re-enactment thereof and incorporated with the Registrar of Companies;
- (p) **“Farmer Producer Organization” (FPO)** means an association of farmers, by whatever name/ form it is called/ exists, registered under any law for the time being in force, which is to mobilize farmers and build their capacity to collectively leverage their production and marketing strength;

- (q) **“Firm”** means a firm as defined under Indian Partnership Act, 1932 including any amendment thereto;
- (r) **“Force majeure”** means an event that is unforeseeable, unavoidable and outside the control of contracting parties’, comprising flood, drought, bad weather, earthquake, epidemic outbreak of disease and insect-pests and such other events;
- (s) **“Fund”** means Uttar Pradesh Contract Farming and Services (Promotion and Facilitation) Fund constituted under section 21 (2) of this Bill;
- (t) **“Government”** means the State Government of Uttar Pradesh;
- (u) **“Livestock”** includes domesticated animals like cattle, buffalo, goat, sheep, pig, and also includes other species like poultry, fish, birds and such other animal’s species, as decided by contracting parties under section 9 for the purpose of this Bill;
- (v) **“Livestock product”** means all products of livestock including those obtained through hatchery and breeding-farm management, as decided by contracting parties under section 3 for the purpose of this Bill;
- (w) **“Marketing”** means all activities involved in the flow of agricultural produce and /or livestock and/ or its product from production point commencing at the stage of harvest or otherwise, as the case may be, till the same reaches the ultimate consumers viz. grading, processing, storage, transport, buying-selling, channels of distribution and all other functions involved in the process;
- (x) **“Modal Price”** Modal price refers to the price at which the maximum number of transactions takes place of concern agricultural production, at the busiest time on that day. If for some reason the number of transactions is limited in the market, then the price at which the maximum quantity has been sold should be considered as the modal price.
- (y) **“Person”** includes individual, Hindu Undivided Family, a co-operative society or a company or firm or an association or a body of individuals, whether incorporated or not;
- (z) **“Pre-agreed price”** means the price which is mutually agreed and mentioned in the agreement.
- (za) **“Premises”** include building, structure, enclosure and surroundings thereof meant for rearing of livestock and structures/ activities connected and incidental thereto;
- (zb) **“Prescribed”** means prescribed by Rules made under this Bill;
- (zc) **“Price volatility”** refers to the degree to which prices rise or fall over a period of time;
- (zd) **“processing”** means any one or more of a series of treatment including powdering, crushing, decorticating, de-husking, parboiling, aging, polishing, ginning, pressing,

curing, tendering, chilling and pasteurization or any other manual, mechanical, chemical or physical treatment to which raw agricultural produce, livestock or its product is subjected to; and processing also includes such post-harvest activities like cleaning, sorting, grading and such other value additions;

(ze) “Processor” means a person that undertakes processing of any agricultural produce, livestock or its product on his own accord or on payment of a charge;

(zf) “produce” includes agricultural produce, livestock and/or its product, agreed by the contracting parties for contract farming, services contract or any such other contract consistent to this Bill;

(zg) “Recording of Agreement” means recording of Contract Farming Agreement made between Contract Farming Sponsor, or Services Contract Sponsor, or such other Sponsors and Contract Farming Producer under section 15 of this Bill;

(zh) “Registration” means registration of Contract Farming Sponsor or Services Contract Sponsor, or such other Sponsor made under section 15;

(zi) “Registration Authority” means constituted by Government under section 15 for the purpose of this Bill;

(zj) “Rules” means the rules made under this Bill;

(zk) “Sale-purchase price” means the actual price at which transaction takes place between the producer and sponsor.

(zl) “Schedule” means the Schedule appended to this Bill;

(zm) “Services Contract” means the agreement between the Farmer(s)/ FPO(s) and Services Contract Sponsor wherein former supplies the produce or offers the activity and latter provides any one or more pre-production and production services like land/soil development, seeds/planting materials / fingerlings, fertilizer, manure, feed, fodder, irrigation, farm machinery, harvesting and such other services ; and post- harvest management and marketing services like transportation, storage, primary value addition, processing and such other services. Services contract also includes services, wherein, Farmer/FPO offers value added produce and Services Contract Sponsor provides marketing support in the form of its trade brand name and such other supports, as mentioned in the Agreement.

(zn) “Services Contract Sponsor” means a person who has entered into pre-production, production and post-harvest management and marketing services contract under this Bill;

(zo) “Sponsor” includes Contract Farming Sponsor and Service Contract Sponsor or such other Sponsor under this Bill.

CHAPTER-II
RECORDING OF AGREEMENT, REGISTRATION AND FACILITATIVE
FRAMEWORK

Scope of Contract Farming and Support to agricultural production

3. (1) Agreement for contract farming can be done between sponsor and farmer, FPO or FPC with respect of any agricultural produce under this Bill.
- (2) Agreement may include holistically from pre-production to post- production or any component(s) thereof; and may also include varied types of contracts based on nature of produce, its production and shelf life etc., with all terms and conditions, mentioned explicitly in the Agreement, not inconsistent with this Bill.
- (3)The Contract Farming Producer, here in after called “Producer”, may get support from Sponsor for improving production and productivity by way of land/soil management, seeds/saplings/fingerlings, inputs, feed & fodder, technology and other such service(s) related thereto as specified in the Agreement.

Period of agreement and produce under contract farming

- 4.(1) The minimum period of the Agreement shall be for one crop season or one production cycle of livestock and the maximum period shall be five years and continuance subject to renewal thereafter, as mutually decided by Producer and Sponsor and explicitly mentioned in the Agreement:

Provided that in case of multiple produce contract, the produce with more than one year production cycle may have separate Agreements.

Explanation: More than one produce up to one year production cycle may be in one Agreement itself and produce with longer duration production cycle exceeding one year may be in separate Agreement.

- (2) Considering the significance of the produce for the purpose of contract farming, services contract and such other contracts under this Bill, contracting parties may mutually decide the produce and such decided produce will be explicitly mentioned in the Agreement.

Sponsor prohibited from raising permanent structure on producer land or premises.

5. Notwithstanding anything contained in the Agreement or any law for the time being in force, the Sponsor is prohibited from raising any permanent structure or creating any kind of lease hold rights or any kind of charge of whatever nature on the land or premises of the Producer:

Provided that any kind of structure can be raised as agreed upon in the Agreement being related to production processes of produce and / or rearing of livestock or its marketing, including services contracted, and shall be removed, if desired and so agreed by the Producer/Farmer, and land restored to pre-contract condition before the expiry of the Agreement, and if not removed, its ownership shall vest in the Producer/Farmer after the expiry of the Agreement.

No title, rights, ownership or possession shall be transferred or alienated or vest in the Sponsor.

6. Notwithstanding anything contained in the Agreement, no title, rights, ownership or possession of land or premises or other such property shall be transferred or alienated or vest in the Sponsor or its successor or its agent as the case may, as a consequence of the Agreement. As a corollary to this, no charge, whatsoever, on the land of the Producer shall be validly created by any act or omission of the contracting parties.

Quality Grade Standards.

7. (1) The contracting parties may, considering the channel of outlet, end use, agronomic practices, agro-climate and such other factors, also work out mutually acceptable quality grade standards or adopt any such standards formulated by an agency of the State or Commission for Agriculture Costs and Prices (CACPC) of Government of India or any other agency authorized by the Board, explicitly mentioned in the Agreement, to execute the quality standard based sale-purchase.

(2) Save as otherwise provided under sub-section (1), the Board may also formulate quality grade standards for produce for adoption by the contracting parties explicitly mentioned in the Contract.

(3) The quality grade standards may be categorized into (i) premium quality; (ii) fair average quality; and (iii) below fair average quality, or contracting parties as mentioned in the Agreement may, mutually otherwise categorize quality grade standards based on their marketing and other such requirements, not inconsistent with any law for the time being in force.

(4) While identifying and defining quality parameters and their values, generic and specific use of the produce may be taken into consideration.

Explanation: In case of contract farming for seed production, genetic purity, germination percentage, Viability, etc., as the case may be in the contract, may be important parameters.

(5) Contracting parties may mutually identify 3rd party quality assayer from the list of empanelled assayers identified by the Board, as prescribed in rules and mentioned in the Agreement, to facilitate in determining the quality grade standards of the contracted produce before delivery.

Principles to determine pre-agreed price for Produce.

8. To provide reasonable protection to the producer, the pre-agreed price, category-wise as under section 4 (2), may be determined in accordance with the guiding criteria as provided in the Rules and mentioned in the Agreement.

Principles to determine sale-purchase price of Produce.

9. Notwithstanding anything contained in this Bill or any other law for the time being in force, the sale-purchase prices, explicitly mentioned in the Contract, may be determined in accordance with the guiding criteria as provided in the Rules.

10. (1)(a)The contract farming sponsor shall buy the entire pre-agreed quantity of one or more produce of the contract farming producer-

In case, production support under section 3 (3) has been provided for the contract, the contract farming sponsor shall buy the pre-agreed quantity of the produce at pre-agreed rate, as may be prescribed. The contract farming sponsor shall also buy the rest of the quantity at a rate mutually acceptable to both the parties but not lower than fixed percentage of the pre-agreed price as may be prescribed and as provided in the agreement:

(b)In case of only buying Contract-

- (i)** the Sponsor shall buy entire pre-agreed quantity of the contracted produce commensurate to quality standard as provided in the Agreement but not less than fixed percentage of pre-agreed quantity of the produce, as may be prescribed and as provided in the Agreement; and
- (ii)** the Sponsor shall also buy rest of the pre-agreed quantity not purchased under sub – section (b) (i) at lower rate mutually acceptable to both parties, as may be prescribed, and as provided in the Agreement:

Provided that the Producer and Sponsor shall be free to mutually decide, and as mentioned in the Agreement, to sell the remaining quantity as under sub-section (b) (ii) to other desirous buyer(s).

(c) In case of any excessive increase or decrease in market price of the contracted produce: -

- (i)** Both parties shall be bound to make sale-purchase of whole pre- agreed quantity at the pre-agreed price of the contracted produce, if the average of prevailing modal market price or other benchmark price as the case may be as prescribed, in the nearest three mandies are under limits of ten percent above or below of the pre-agreed contracted price.
- (ii)** Both parties shall be bound to make sale-purchase of minimum fifty percent of the pre- agreed quantity at the pre-agreed price of the contracted produce, if the average of prevailing modal market price or other benchmark price as the case may be as prescribed, in the nearest three mandies are over limits of ten percent above or below of the pre-agreed contracted price.

(2) The Sponsor shall, as provided in the Agreement, make all arrangements for purchase and provide materials required for filling and weighing/ measuring of the produce, in advance, when the produce is to be taken by the Producer for delivery to the Sponsor at the agreed place. The Sponsor shall also be responsible to make the weightment/ measurement immediately and after the

weighment/ measurement is over, shall take the delivery of the produce, forthwith by issuing a receipt slip with the details of sale proceeds, as may be prescribed.

- (3)** The Sponsor shall be considered to have thoroughly inspected the produce at the time of delivery and have subsequently no right to retract it:

Provided that in case of seed and such other produce where quality assessment is made later on, the quality issue will be settled after quality assessment report, as may be prescribed.

- (4)** In case, Sponsor does not make payment in accordance with the terms of Contract, a penal interest as prescribed, will be levied for late payment upto thirty days. If the said payment is not made within thirty days, it shall be recovered as an arrear of land revenue with interest as prescribed, till such time as it is recovered and paid to the Producer:

Provided that in case of pendency of dispute, charge of penal interest and recovery as an arrear of land revenue with interest, as the case may be, will be decided under dispute settlement mechanism as per chapter III and as provided in the Agreement.

Insurance of Produce.

- 11. (1)** The produce under contract farming may be covered under production linked applicable insurance scheme in operation or any other such scheme, as may be prescribed, and provided in the Agreement.

- (2)** Save as otherwise provided under sub-section (1), the produce under contract farming may be covered under price/market linked insurance scheme or any other such scheme, as and when it may come to be implemented by Central Government or Government or any other agency, as may be prescribed and provided in the Agreement.

Other parties to the Contract.

- 12.** Save as otherwise provided in the Bill, insurance company, banking institution providing credit, Agri-input supplier, knowledge partner, buy-back buyer and other buyer(s) intending to purchase produce may be parties to the Contract, and their roles and services be explicitly mentioned in the Agreement.

Obligation of contracting parties.

- 13.** The contracting parties must either perform, or offer to perform, their respective promises, unless such performance is dispensed with or excused as under section 22, Section 23 and section 24 of this Bill.

Alternation and termination of Contract.

- 14. (1)** The contracting parties may, in the course, at any time alter or terminate the Contract with mutual consent, before the Registering Officer authorized in this behalf under the intimation to the Board.

- (2)** In the event of a force majeure, the affected contracting party, to the extent of adverse impact, shall not be bound to honor the Contract and can accordingly alter the terms with mutual consent or terminate the Contract, with the approval of the Board or the officer authorized in this behalf.

Registration Authority

15. (1) State Government may notify a Registration Authority to provide for e-registry for the state or for each district that provides facilitative framework for registration of framing agreements and to keep a record of transactions under such agreements.

(2) Every sponsor shall be registered and agreement recorded in such manner as may be prescribed and no such agreement shall be valid under this bill unless the sponsor is so registered and agreement recorded with the designated Registration Authority.

Provided that a Sponsor carrying on the contract farming or services contract or such other contracts immediately before the commencement of this Bill, may continue to do so for a period as mentioned in the contract from such commencement.

CHAPTER—III CONTRACT FARMING AND SERVICES (PROMOTION & FACILITATION) BOARD

Establishment and Incorporation of Contract Farming and Services (Promotion & Facilitation) Board.

16. With effect from such date as the Government may, by notification, specify in this behalf, there shall be established a Board to be called the Uttar Pradesh Contract Farming and Services (Promotion and Facilitation) Board, hereinafter called Board, to exercise the powers conferred on, and to perform the functions assigned to it by or under this Bill:

Composition of the Board.

17. The composition of the Board shall be-

(1) The Chairman, such person from administration as the head of the Board who is posted / in charge of the State Agricultural Production Commissioner, shall be the ex-officio Chairman of the Board.

(i) In case of absence of the Chairperson or vacancy in its office, the Member, so authorized or nominated, as under shall perform the functions and exercise the powers vested in the Chairperson as long as the vacancy or absence continues.

(2) Ex-officio Members, from—

Principal Secretary/ Secretary is in charge of Agriculture, Horticulture, food processing, Agricultural Marketing, Cooperation, Animal Husbandry, Dairy Development and Fisheries or a person nominated by him not below the rank of Special Secretary.

(3) Non-official Members-

(i) up to three Members to be nominated by the Government, to represent broadly the Food Processors, Seed Processors, Exporters, Bulk- Buyers linked with retail chain, Sponsors including those engaged in Poultry / Broiler sector, as non-official Members;

(ii) up to two Members to be nominated by the Government, to represent the farmers or their groups or association by whatever name it is called, as non-official Members.

(iii) The term of office of the non-official Member of the Board shall be for two years. However, the Member may hold office at the pleasure of the Government. The Government may, if it thinks fit on the ground, as prescribed, remove any non-official Member of the Board before expiry of term of office. No person may be non-official Member of the Board more than twice.

(iv) The non-official Member of the Board shall be paid from the Contract Farming and Services (Promotion and Facilitation) Fund, such sitting fee and allowances for attending its meeting and/or attending to any other work as may be assigned by the Board.

(v) Preferably there may be at least two women among the Chairperson and Members inclusive of official and non-official Members;

(vi) The Director, Directorate of Agricultural marketing and Agriculture Foreign Trade Uttar Pradesh, shall be the Chief Executive Officer and the Directorate of Agriculture marketing will act as secretariat of board.

Meetings of the Board, its Proceedings and Quorum.

18. (1) The Board shall meet for the transaction of its business at least once in every three months on such date and at such time, as the Chairperson may determine:

Provided that the Board may, in special circumstances meet at any time and at any place in the State, as may be prescribed.

(2) Minimum one third of the total number of Members of the Board shall form the quorum for transacting the business at the meeting of the Board.

(3) All questions which come up before any meeting of the Board shall be decided by a majority of the Members present, and in the event of tie, the Chairperson, or the person presiding shall have a second or casting vote.

Powers and Functions of the Board.

19. (1) It shall be the duty of the Board to ensure proper implementation of this Bill and to make suggestions to the State for promotion and efficient performance of contract farming, services contract and such other contracts. For this purpose, the Board shall-

(a) carry out inspections of offices entrusted with the task of contract farming, services contract and such other contracts under this Bill;

(b) recommend departmental action against any officer or employee of the Government who has failed in due discharge of functions cast upon under this Bill:

Provided that before making such a recommendation, the Board shall consult the administrative Secretary in-charge of the department concerned to whom the matter relates;

- (c) Categorize the produce and place in the Schedule under section 3 and also add or delete the produce from Schedule.

Provided that Board may add or delete the produce from Schedule or alter its categorization, as it deems fit.

Provided further that if such produce is not categorized and mentioned in the Schedule to this Bill, contracting parties shall be free to mutually decide the pre-agreed and sale-purchase price as explicitly mentioned in the Agreement.

- (d) The Board may, based on varied factors such as price volatility and/or other such criteria, as may be prescribed in the Rules, categorize the produce from time to time for contract farming, to guide the contracting parties to benchmark the pre- agreed and sale-purchase price as provided in the Agreement under this Bill, and such categorized produce may be placed in the Schedule to this Bill:

- (2) Where the Board is satisfied that there are reasonable grounds to inquire into a matter arising out of the provisions of this Bill, it may, *suo motu*, initiate an inquiry in respect thereof.

- (3) The Board shall approve its financial expenditure for the contract farming in the State as well as for day to day activities of the Board and report to the Government.

- (4) The Board may prepare a Standard Operating Procedure (SOP) to facilitate the efficient contract farming and services contract activities and undertake any modification these of; and may also undertake periodical capacity building programs awareness all activities related to function of the Bill.

- (5) The Board may, on its own by engaging experts, formulate grade standards for produce to be contracted upon, undertake capacity building and publicity programs.

- (6) Every year, the Board shall also prepare-

- (a) a general report covering all the activities of the Board in the previous year;
- (b) programs of work;
- (c) the annual accounts of the previous year; and
- (d) the budget for the coming year clearly indicating the probable revenue including grants from Government, if any, and expenditures to constitute the Contract Farming and Services (Promotion and Facilitation) Fund made under section 21 (2).

(7)The Board shall forward the general report and the programs to the Government at such time to time insure form and memo as prescribed.

Levy of
Facilitation
fee.

20. (1) The Board shall levy and collect facilitation fee from the Sponsor as prescribed in respect of contracted produce, at such rate, as may be notified by the Government, but not exceeding 0.25 per centum *ad valorem* on contracted produce;

(2)The Board shall, under sub-section (1), levy and collect facilitation fee and ensure that not less than fifty per cent of such total annual collection is spent on promotion of contract farming like training, engaging specialists/ experts for formulation of grade standards and undertaking arbitration, research and such other activities connected therewith and incidental thereto. The Board may also spend of such collection in formulating and implementing welfare and contract farming promotional schemes, as may be prescribed.

CHAPTER-IV FINANCE, ACCOUNTS AND AUDIT

Grants by
State
Government
Constitution
of Fund and
Audit of
Accounts.

21. (1) The Government may, after due appropriation made by the State Legislature by law in this behalf, make to the Board grants of such sums of money as may be prescribed, for being utilized for the purposes of this Bill.

(2) There shall be constituted a Fund to be called Uttar Pradesh Contract Farming and Services (Promotion and Facilitation) Fund, hereinafter called "Fund":

(a) The Fund shall be credited there to-

(i) all grants provided by the Government, facilitation fee, etc. received by the Board;

(ii) all sums received by the Board from such other source as may be decided upon by the Government; and

(iii) all sums realized by way of penalties under this Bill.

(b) The Fund shall be applied for meeting-

(i) the allowances and other remuneration of the non-official Members of the Board.,

(ii) the other expenses of the Board in connection with the discharge of its functions and for the purposes of this Bill.

(3)Chief Executive Officer shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form and manner as may be prescribed by the Government.

- (4) The accounts of the Board shall be subject to audit by an agency as the Government deems fit. The Board may also make arrangement for internal audit of accounts.

CHAPTER –V

DISPUTE SETTLEMENT, APPEAL AND PENALTIES

**Conciliation
committee**

- 22.** (1) In case of any dispute arising on account of farming agreement under this Bill, the Collector of the concern district shall refer the dispute to a committee of conciliation appointed under this provision.
- (2) Every committee of Conciliation appointed by the Collector for facilitating a binding settlement to the dispute as referred to such committee shall consist of a chairperson and between two or four other members, as the Collector deems fit.
- (3) The chairperson shall be an officer serving under the supervision and control of the Collector and the other members shall be persons appointed in equal numbers to represent the parties to the dispute. Any person appointed to represent a party shall be appointed on the recommendation of that party:
- Provided that, if any party fails to make a recommendation as aforesaid within 7 days, the Collector shall appoint such persons as it thinks fit to represent that party.
- (4) Where a dispute has been referred to a committee of Conciliation under this Bill, it shall be the duty of the committee to endeavor to bring about a settlement of the same and for this purpose the committee shall, in such manner as it thinks fit and without delay, investigate the dispute and all matters affecting the merits and the right settlement thereof and may do all such things as it thinks fit for the purpose of persuading the parties to come to a fair and amicable settlement of the dispute.
- (5) If a settlement of the dispute or of any the matters in dispute is arrived at in the course of the conciliation proceedings, the committee shall send a report thereof to the Collector together with a memorandum of the settlement signed by the parties to the dispute.
- (6) If no such settlement is arrived at, the committee shall, as soon as practicable send to the Collector a full report setting forth the proceedings and steps taken by the committee for ascertaining the facts and circumstances and the reasons on account of which, in its opinion, a settlement could not be arrived at.
- (7) The committee shall submit its report under this provision within thirty days of the date on which the dispute was referred to it or within such shorter period as may be prescribed by the Collector.

**Dispute
Settlement
Authority**

23.(1) If any matter not resolve in the Conciliation Committee then either party may represent the matter before “Dispute Settlement Authority” within two weeks of the report of the Conciliation Committee to the Collector.

(2) “**Dispute Settlement Authority**” will be Sub-Divisional Officer (S.D.O) or an officer equivalent, nominated by Collector.

Provided that before resolving the dispute “Dispute Settlement Authority” may take a report from domain experts as he deemed fit for product of dispute.

(3) The Dispute Settlement Authority shall resolve the dispute in summary manner within twenty-one days, after giving the parties a reasonable opportunity of being heard.

(4) The decision of the Dispute Settlement Authority under sub-section (2), shall have the force of a decree of a civil court and shall be enforceable as such, and the decretal amount shall be recovered as an arrear of land revenue.

Appeal

24. (1) Any person aggrieved by the order passed under section 23(3) may prefer appeal to the “District Appellate Authority” in such manner as may be prescribed, within fifteen days of the order.

(2)“**District Appellate Authority**” will be District Collector or an officer equivalent to Additional Collector nominated by him.

Provided that before resolving appeal “District Appellate Authority” may take a report from domain experts as prescribed for product of appeal.

(3) The “District Appellate Authority” shall dispose of the appeal within fifteen days from the date of preferring the appeal, after giving the parties a reasonable opportunity of being heard.

(4) The decision of the “District Appellate Committee” in the appeal shall have the force of a decree of a civil court and shall be enforceable as such and the decretal amount shall be recovered as an arrear of land revenue.

Penalties

25. (1) If the Sponsor and the producer committing any offence under this Bill, every member of party shall be deemed to be guilty of the offence and shall be liable for the penalty accordingly.

Provided that nothing contained in this sub sections shall render any such person liable to any penalty, if he proves that the offence was committed without his knowledge or that he exercise all the diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub section (1), where any offence under this Bill has been committed by any member of the party and it is proved that the offence has been committed with the consent or connivance of or that the commission of the offence, is attributable to any neglect on the part of any member of the party shall be deemed to be guilty of that offence and shall be liable for the penalty accordingly.

- (3) The compensation or penalty, as the case may be under sub-section (1), shall be recovered from Sponsor and Producer as arrears of land revenue, as may be prescribed.
- (4) Any contravention in the relation to the provision of this Bill , rules, regulations, notification, instructions, directions, orders or guidelines there under may, on an application made by the person suspected of committing such contravention to such officer as may be authorized by the Government, be compounded by such officer for a sum of money which is two times of the amount of penalty recoverable under this Bill.

On the compounding of any offence under this section, no proceeding shall be taken or continue against the person concern in respect of such an offence, and if any proceedings in respect of that offence have already been instituted against him in any court, the compounding shall have effect of acquittal.

CHAPTER – VI

Miscellaneous.

26.The contracted produce shall be outside the ambit of regulation of *The Uttar Pradesh Krishi Utpadan Mandi Adhniyam,1964* as amended from time to time.

Essential commodity Act

27.Notwithstanding anything contained in the Essential Commodities Act, 1955 and Control Orders issued there under or any other law for the time being in force the provision of stock limit shall not be applicable on such Sponsor purchasing produce to the extent of quantity purchased under this bill.

Recovery of dues from any party to the

28. If there is any due from any party to the Contract as declared by competent authority under this bill it will be recovered as arrears of land revenue.

Recovery of loans and advances given by Sponsor to the Producer.

29. Both loan and advances given by the Sponsor to the Producer can be recovered from sale proceed of the produce in accordance with the procedure and manner as may be prescribed and in no case, be realized by way of sale or mortgage or lease of the land in respect of which the Agreement has been entered in to.

Protection of action taken in good faith

30.(1)No suit, prosecution or other legal proceeding shall lie against any person for anything which is done in good faith or intended to be done in pursuance of this Bill or any Rule made there under.

(2)No act done or proceedings under this Bill by the Board shall be invalid merely on the ground of existence of any vacancy or by reason of defect or irregularity in its constitution or absence of any Member in its meeting.

Power of Government to restrict the produce for contract.

31. (1) The Government may, by notification, identify the produce for negative list in the Schedule, which due to statutory and other extra ordinary reason(s), specified therein, shall be restricted for contract farming for the specified period:

Provided that no notification shall be issued under this section without publishing in the official Gazette with previous notice of not less than 30 days as the Government may consider reasonable of its intention to issue such notification.

(2) Government may, by notification, amend the negative list of the Schedule, to add or omit any produce, specified there in, and there upon the negative list of the Schedule shall be deemed to have been amended accordingly.

Power to make Rules.

32. (1) The Government may, by notification in the Official *Gazette*, make Rules for the purposes of carrying out the provisions of this Bill.

(2) All Rules made under this Bill should be laid before each house of the State Legislature.

Bar of Jurisdiction of Civil Court.

33. No Civil Court shall have jurisdiction to entertain any suit or proceedings in respect of any matter, the cognizance of which can be taken and disposed of by any authority empowered by this Bill or the Rules made there under.

Bill to have overriding effect.

34. The provisions of this Bill shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Bill.

Power to remove difficulties.

35. If any difficulty arises in implementation of any provisions of this Bill, Government may, as exigency requires, by order not in consistent with the provision of this Bill, do anything which appears to it to be necessary or expedient for the purpose of removing the difficulty.

Saving

36. Nothing herein contained shall affect the provisions of any Statute, Act or Regulation not hereby expressly repealed, nor any usage of or customs of trade, nor any incident or any contract, not inconsistent with the provisions of this Act.

The schedule

[See sections 3, 19(1)(c)]

Class of agricultural produce (1)	<i>Name of agricultural produce</i> (2)	
1. Cereals	1. Paddy 2. Rice in all form 3. Wheat in all form 4. Jowar in all form 5. Bajra in all form 6. Ragi in all form 7. Maize in all form	8. Manduwain all form 9. Oats in all form 10. Kakun in all form 11. Kodan in all form 12. Kutki in all form 13. Sawan in all form
2. Pulses	1. Pigeon pea in all forms. 2. Black gram in all forms. 3. Green gram in all forms. 4. Bangal gram in all forms. 5. Peas in all forms.	6. Masoorin all forms. 7. Cowpea in all forms. 8. Soya beans in all forms. 9. Horse gram in all forms.
3. Oilseeds	1. Groundnut (Pods and Kernels) 2. Gingelly or seasamum seed 3. Castor (Pods or seeds). 4. Sunflower seeds or Kernels. 5. Cottonseed.	6. Mustard seeds. 7. Niger seeds. 8. Neem seeds 9. Safflower
4. Fibers	Cotton (Kapas, lint, waste).	
5. Vegetables	1. Brinjal 2. Lady finger 3. Potato. 4. Onion 5. Gourds (snake gourd, bitter gourd, bottle gourd, Pumpkin or, Ribbed gourd, Sponge gourd, round gourd, ash gourd, pointed gourd). 6. Tomato. 7. Moringa 8. Greens (Sag all Kind) 9. Green chillies. 10. Yams (all kinds). 11. Cabbage. 12. Cauliflower. 13. Radish(all kinds). 14. Carrot. 15. Beans (all kinds).	16. Sweet Potato. 17. Green 18. Knol-khol. 19. Turnip. 20. Green peas. 21. Cluster beans 22. Beetroot. 23. Cucumber. 24. Jack Fruit 25. Colocasia 26. Lettuce 27. Banda 28. Singhara 29. Mushroom 30. Lobia green

6. Fruits	1. Banana. 2. Mango (In all forms). 3. Guava. 4. Grapes 5. Citrus (In all forms). 6. Pomegranate 7. Melons (All type) 8. Pineapple. 9. Pears. 10. Plums. 11. Papaya. 12. Sapota (chikoo).	13. Custard Apple 14. Aonla 15. Sweet orange (Malta) 16. Strawberries 17. Phalsa 18. Ber 19. Bael 20. Jack fruit (Ripe) 21. Kamrakh 22. Karonda 23. Jamun
7. Flowers	1. Rose (All types) 2. Gerbera (All types) 3. Liliun (All types) 4. Marigold (All types) 5. Gladiolus (All types)	6. Chrysanthemum (All types) 7. Tuberose 8. Calendula 9. Hisbiscus (All types)
8. Drugs and Narcotics	Tobacco in all forms.	
9. Tubers	Tapioca-tubers, Tapioca chips, Tapioca flour, Tapioca starch.	
10. Condiments and spices	1. Chillies or red chillies 2. Garlic. 3. Turmeric in all forms. 4. Coriander (dhanian seeds).	5. Cardamom. 6. Tamarind in all forms. 7. Ginger in allforms. 8. Betal leaves.
11. Animalhusbandr yproducts	1. Butter 2. Cattle 3. Eggs 4. Ghee 5. Goats 6. Hides and skins 7. Milk	8. Cottage cheese 9. Pig 10. Poultry 11. Sheep 12. Wool 13. Meat 14. Bristles
12. Apiculture	Honey	
13. Pisciculture	Fish	
14. Forest products	1. Bamboo. 2. Bidi leaves. 3. Lac.4. Gum.	
15. Sericulture	1. Cocoons. 2. Silk yarn.	
16. Silviculture	1. Gum 2. Wood (All tree species used as a raw material in industries)	3. Tendu leaves 4. Lac 5. Reetha
17. Miscellaneous	1. Sugarcane Jaggery in all forms. 2. Mint in all forms.	