

Advantages of Implementing Contract Farming in Iraq

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Abstract

This research aims to explore the advantages of implementing contract farming in Iraq and analyze its potential impacts on the agricultural sector. The study focuses on how contract farming can improve farmers' incomes, stabilize prices, and increase agricultural productivity. Contract farming can enhance farmers' access to markets and modern agricultural technologies. The study examines economic and social benefits, alongside the challenges of implementation, particularly given Iraq's fragile agricultural infrastructure. Based on a review of the current literature, the study finds that contract farming presents a crucial option for developing Iraq's agricultural sector by providing sustainable support to farmers and reducing marketing and production risks. The research emphasizes the need for a partnership between the public and private sectors to ensure the success of this strategy, with policy recommendations aimed at improving the efficiency of the agricultural system and supporting local farmers.

Keywords: *Advantages of Implementing, Iraq, Contract Farming.*

Introduction

Contract farming is an important agricultural policy that aims to achieve food security by enhancing agricultural production and improving crop quality. This type of farming is based on signing agreements between farmers and companies or buyers to grow a specific crop according to pre-determined conditions. The contract farming model is very popular in many countries due to the economic, social and environmental benefits that can accrue to everyone (Meemken and Bellemare, 2020).

The concept of contract farming evolved directly from shifting market demand, with specific goods produced by a group of producers being demanded by a specific buyer. The essence of the enterprise-based relationship is the identification of a group of firms that have the willingness to supply products in a reliable and consistent way to a financially viable venture. Contract farming is an important entry strategy for many farmers aiming to reduce risk in a less stable and changing marketplace. It is also a means by which vertically producing companies can source products at a price and level of quality and quantity required (Ncube, 2020). Another rising interest in contract farming is that such arrangements are seen as a means to protect, or at least leave in farmers' hands, the means of production. Contract farming developed not only as a response to investment constraints but also as a way of ensuring food security. Contract farming has also been present – increasingly so – in international discussions on rural development generally and poverty in rural areas more specifically. The main stakeholders involved in contract farming are the producer, the buyer, and the consumer (Mahmud, 2021).

The question of the study is: How does contract farming contribute to improving farmers' incomes and increasing agricultural productivity in Iraq?

Iraq is known as an agricultural country since ancient times, and agriculture is one of the few ecosystems that the country is rich in (Mahmud, 2021). Agricultural wealth allows Iraq to produce most crops, and this diversity in the production of crops points to the importance of the agricultural field in Iraq. At the same time, the agricultural sector receives less attention than other economic sectors targeted for appropriate development, whether quantitatively or qualitatively (Al-Ansari et al., 2021). Given the situation of the

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weakness of the industry and the aspects of the other economy in the country, and in a way that is parallel to the concept of development from within, it is necessary for the Iraqi Academy, as well as economic experts and those interested in Iraq, to consider another perspective on the development of the agricultural sector other than the perspective that focuses on the development of the upstream sectors, and the knowledge of the role of contract farming as one of the tools that contribute to the reform of the system of soil rotations and the transformation of production, as well as to achieve the main objectives of the research (Ncube, 2020). The essay is divided into several sections, each with the objective of examining the benefits of some aspects of contract farming and then examining to what extent they represent a solution to some of the problems of the Iraqi agricultural sector. Finally, it will examine the positives and negatives of all the sections that were analyzed in a contract and whether contract farming can contribute to changing the production system and productivity in the region, leading to the development of the agricultural sector in Iraq (Hasan & Perot, 2021). This includes the changing seeds and agricultural systems that lead to the production of coarse grains or the implementation of a free economy that gives the private sector the freedom to control the agricultural field (de Janvry & Sadoulet, 2020). This method allows large merchants and companies to buy crops from farmers at a later time, usually at harvest time, when the crops are ripe in large quantities and stored by local merchants for a period until they reach the so-called free price (Meemken and Bellemare, 2020). The phenomenon of adopting contract farming is considered a solution to finding an appropriate farm environment and overcoming this dilemma (Chen & Chen, 2021). If contract farming is implemented in Iraq, this will represent a promising solution for Iraqi farmers who suffer from many marketing problems, whether it is an exhibition of their products to internal markets or foreign markets (Albaaji & Chandra, 2024).

Literature Review

A study conducted in India focused on the significant role of contract farming in increasing productivity and development. However, it demonstrated that contract farming projects need a legal and social structure that supports such an idea; they are linked to social and legal contexts. That is, the benefit may be for large projects that are acquired by companies willing to undertake this production, while the role of small-scale farmers with limited capabilities is deliberately neglected. This point is particularly relevant in the context of Iraq, where ensuring equitable access to contract farming opportunities is of paramount importance (Motkuri & Naik Veslawatha, 2005).

The study also points out that large companies tend to favor larger farmers in their contracts, raising questions about fairness in agricultural development. It calls for agricultural policies in Iraq to be more inclusive, ensuring that small farmers benefit. The research emphasizes the importance of localized assessments of contract farming, as policies must be tailored to fit Iraq's unique socio-economic environment (Motkuri & Naik Veslawatha, 2005).

Another study analyzed the dynamics of contract farming in Tanzania, focusing on the imbalance of power between farmers and companies. Despite the potential benefits, such as improved access to inputs and markets, the study reveals that contracts are often designed to favor companies, leading to an unequal distribution of gains. The study recommends strengthening farmer groups to increase their bargaining power, and it highlights the need for effective governance structures to protect farmers from exploitative practices. These recommendations are significant for Iraq, where similar issues might affect contract farming initiatives (George, 2017).

Building educational and training programs for farmers on how to manage such projects and study contracts is of utmost importance. This will strengthen the path to increasing production and the ease and speed of implementing these ideas, especially in social contexts such as Iraq (George, 2017).

Another study examined the factors influencing agrarians' intention to adopt contract farming in Iraq. It highlighted challenges such as limited market access, price instability, and the role of intermediaries. These factors create uncertainty, preventing farmers from engaging in contract farming. The study suggests that

improving supply chain collaboration is essential to overcome these barriers and promote the adoption of contract farming as a strategy to enhance agricultural productivity (Khalili et al., 2024).

In conclusion, the literature highlights the complexities of contract farming as a tool for agricultural development in Iraq. While it offers potential benefits like improved productivity and market access, significant challenges, including power imbalances, governance issues, and market inefficiencies, must be addressed to ensure its success. Iraqi policymakers should consider these challenges when designing agricultural policies to ensure that smallholder farmers are empowered and can effectively participate in agricultural markets.

Overview of Contract Farming

Contract farming is a modern agricultural system based on an agreement between the farmer and the buyer on the terms of growing and marketing agricultural products. The details of the contract are determined, including the quantity of the crop, the required quality, delivery dates and agreed prices. The goal of contract farming is to achieve sustainability of agricultural production and increase income for farmers in addition to ensuring the quality of products for buyers (Ye et al., 2020; Bijman et al., 2020). The common ingredients of these definitions reflect the key elements that constitute a contract farming agreement. These key elements can be summarized as follows (Wang et al., 2021). A. Specification of Products and Quality: It involves the type and varieties of product(s) to be produced. B. Pricing Mechanism: It describes the pricing arrangement, such as cost-plus contract or fixed price, base price or premium price, mode of payment, and profit sharing (Kumar et al., 2020). C. Quantity or Volume of Supply: It specifies the quantity of production expressed in physical units. D. Time of Supply or Delivery Schedule: It contains the time dimension, which includes the period, frequency of collection, and the marketing arrangement. E. Conditions and Matters Concerning the Contract Itself: It includes the duration or period of the contract, penalty clauses, and matters dealing with termination and default. F. Role and Responsibility of Each Party: The responsibilities of the farmers are mainly towards the production of good quality products and legal production, while the buyers or companies are involved in the purchase of marketable surplus (Giller et al.2021; Li et al., 2020). As evidenced in Figure 1, the representation summarizes the key elements of contract farming alongside the responsibilities of both farmers and buyers.

Figure 1. Responsibilities in Contract Farming

Key Elements	Farmer Responsibilities	Buyer Responsibilities
Specification of Products & Quality	Ensure Product Quality	Define Quality Standards
Pricing Mechanism	Production Costs, Adherence to Price	Pricing Terms and Payment
Quantity or Volume of Supply	Meet Quantity Requirements	Determine Volume
Time of Supply or Delivery	Timely Production	Schedule Collections
Conditions & Matters of Contract	Legal Production, Compliance	Contract Terms, Penalties
Role & Responsibility	Provide Marketable Surplus	Purchase Marketable Surplus

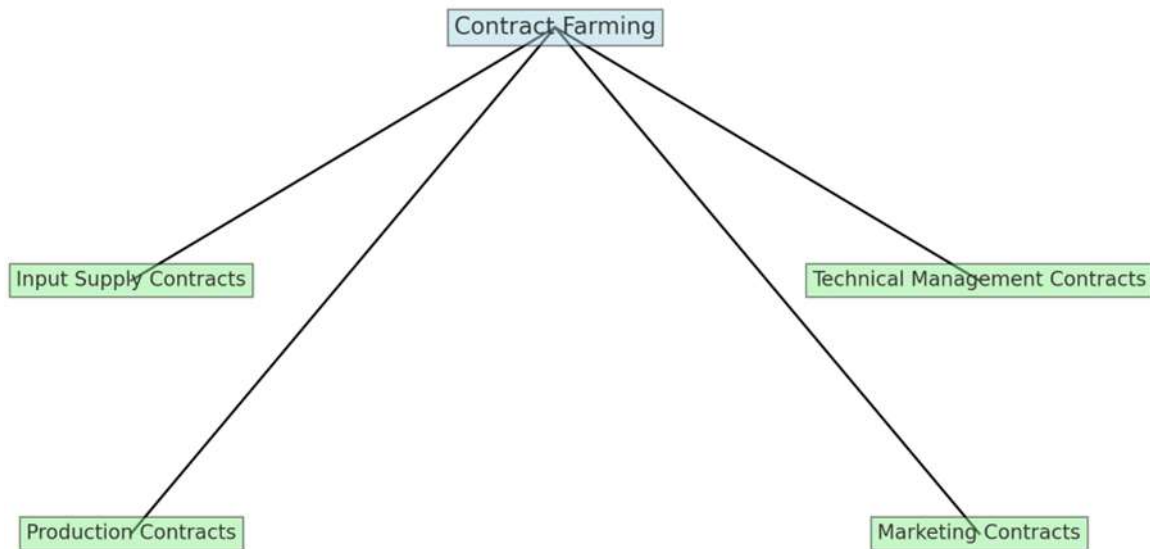
Source: Authors' own elaboration based on Giller et al., (2021), Li et al., (2020), Kumar et al., (2020), Ye et al., (2020) and Bijman et al., (2020).

These pillars will help build a strong relationship between the buyers and the farmers. Above all, these define the operative part of the contract between the buyer and the farmer. The clearer and well-

documented these aspects are, the lesser the grounds for arbitrary rejection of produce resulting in conflict (Martiniello et al., 2022). Farmers and buyers use a contract to record the agreement of both sides. For success, these matters must be negotiated in good faith, and ultimately, the two parties must agree on them. Once a contract is signed, the farmer must produce the crop(s) according to the buyer's specifications, that is, the conditions given in the contract. The buyer's role is to apply all of the research and manufacturing capacity at the company's disposal to enable the farmer to achieve these targets. At the very least, this means satisfying the farmer's need for information and inputs and ensuring that a definite buyer will be available on an agreed delivery date to accept the contracted produce (Kumarathunga et al., 2022). Then, management at all levels must monitor the execution of the contract to ensure that both sides' obligations are fulfilled and, if not, to take corrective action (Kohl, 2020).

The concept of contract farming is simply summed up by a contract and agreement between the producer of the agricultural commodity and the buyer, such as an agricultural company, for example. An agreement is made in advance to supply a specific commodity with specific specifications, prices, conditions and delivery time. Contracts between producers and buyers based on pre-determined terms and conditions ensure stability in supply due to knowledge of advance demand. Producers have easy access to the market and receive payments that enable them to access quality inputs such as seed varieties, modern mechanization technology, etc. (Meemken & Bellemare, 2020). Contract farming increases production and reduces losses, which ensures sustainability and activates investments among the poorest environments, making it a fertile base for investments and expansion of agriculture and income in general (Zhang, 2020).

Contract farming refers to an agreement made between farmers and buyers over the supply of farm produce or livestock through a contract (Chen & Chen, 2021). It uses contract farming when farmers work with contract farms in which purchasers use contractual terms to direct the nature of farmers' production. There are currently four types of contracts, described as follows: First, "Input Supply Contracts" includes contracts between suppliers and farmers, and it also regulates the supply of inputs required for the production of goods to farmers. Second, "Technical Management Contracts" refers to an agreement with a party that provides farmers with management advice. Although the advice is technical in nature, it mainly regulates the final nature of the farm products (Meemken and Bellemare, 2020). Third, "Production Contracts" includes contracts that regulate the sale of farm inputs and the purchase of farms after slaughter. Fourth, "Marketing Contracts" regulate the release of farm inputs to farm production companies, but they do not regulate sales directly (Chen & Chen, 2021; Yi et al., 2021). Figure 2 represents the types of contract farming, showing the connections between contract farming (as a central concept) and the various types, such as input supply contracts, technical management contracts, production contracts, and marketing contracts.

Figure 2. Types of Contract Farming

Source: Authors' own elaboration based on Meemken and Bellemare, (2020), Chen & Chen, (2021) and Yi et al., (2021).

The main objective of the contract is to try to stabilize the supply of raw materials, especially in farm production. A mutually beneficial financial risk-sharing agreement between the bank and the borrower is a potential stabilizing factor (Bottoni et al., 2020). In countries where a lot of export marketing goes on, the bank must help reduce the risk of export contracts. In the world, contract farming is receiving continuous attention in several countries due to its ability to improve the efficiency of agriculture, reduce transaction costs, and manage risks in a firm, as a result of promoting linkages between processing and marketing firms, the private sector, and governmental programs, such as privileges given to a constant monetary sector and a conducive legal environment (Chen & Chen, 2021). The judgment lets contracts with friends: long, especially production and marketing. Specific particulars vary from country to country as a result of the government majorly depending on them (Khan, 2022).

Governments may further regulate contracts relating to property laws, human rights, trade, and consumer protections. In some countries, credit law has further enhanced safety measures between contracting parties (Martiniello, 2021). The benefits of contract farming may come in several economic forms. These include increasing access to key inputs such as technical advice or credit; improving the quality (and hence value) of outputs; providing price and market risk reduction, price stability, and higher prices for contract production (Ren et al., 2021). A discount or premium to open market prices may be given for quality and predictability for the products produced under contract (Zhang, 2020). Adverse selection of farmers or monitoring agents might increase. Consequently, the principal may receive a higher rent by exercising more ex ante effort when choosing a superior farmer (Lan et al., 2022).

One of the major benefits of contract farming is that it can increase the income of farmers. Contract farming provides a guaranteed market for the products of the farmers. This helps in price stabilization for the farmers, as the price of the commodity is determined in advance; this would insulate the farmers from the price risk associated with the volatility of product prices in the market (Hoang, 2021). Contract farming provides greater links to capital for the farmers at relatively lower costs. Contract farmers have a twofold advantage as they can obtain their credits from institutional or non-institutional sources at lower interest rates and petition banks to give them loans on the background of a guaranteed contract (Ruml et al., 2022).

Buyers also usually provide better extension services or advisory services and linkages to resources such as inputs and machinery, technology, and capacity building and training of farmers. Enhancing the effectiveness and efficiency of the farmers is linked to their socio-economic status. The improved

technology accompanied by adequate training is important. The extension advice enhances the capacity of the farmers to have proper crop management, hence good yields. However, some inherent challenges can also be cited with contract farming (Magesa et al., 2020). Farmers can develop dependency and be under the authority of the buyers due to financial support or other support services they receive. Some buyers can also exploit the farmers due to their dire need for money. In addition, the minimum price is usually below costs. Fluctuations in communication and market requirements for productivity and product quality can occur. In this case, the buyer has the right to change the price or reject the performance that does not address their needs (Glavee-Geo et al., 2022). This is a form of financial risk for farmers. The health of the farmer also seriously influences the business and can affect the raising of the crop yield or even, in some cases, influence the final crop yield. The associated pollution, for example, toxic plant insecticides, is also harmful to the farmer and the public as a whole in terms of quality. If the farmer in this scenario could not meet the contract requirements because of illness or other natural disturbances, they may no longer be able to meet the contract terms. A way back farm strategy must be produced to offset some of these hazards (Fan and Rue, 2020).

The legal framework, or regulations, is one of the most important aspects of contract farming to ensure fair and valid contract practices. Based on the types of laws and legal regulations, an agricultural contract can be governed by different types of regulations, namely in the form of privately determined rules of law, government regulations, and international rules. In addition, a country or region may also have additional regulations to ensure more effective management of agricultural contracts (Ncube, 2020). Currently, there are some available international or local laws and regulations that govern various agricultural contracts or food supply chains, either directly or indirectly. The laws and regulations in the field of agricultural contracts or food supply chains can be broadly seen in several main points. In fact, the agricultural contract must comply with both international and local laws and regulations related to the contract or food supply chain (Michler & Wu, 2020).

Many public agencies are in charge of providing surveillance or enforcement of agricultural contracts in a country. Therefore, if there are problems that arise between the parties because of violations of agreements or contracts, the parties or the authorities have the right to report the violations to the relevant institutions (Van et al., 2021). Compliance with the law of an agricultural contract is very important because it has the potential for white-collar crime, with more and more being neglected legally in agricultural contracts or commercial disputes based on the law of the agricultural contract. Although it has been conducted properly, if one of the contractors wishes to make a claim by relying on a legal system, then it is certainly not guaranteed that the ruling will come soon (Bijman et al., 2020). One of the fundamental aspects of the contract is that a valid system must always exist within it. A contract must obey the laws and regulations that apply in a specific region or country. In addition to ensuring the clarity of contracts as much as possible, laws can also be used to ensure the balance between the two parties in the contract. For developing countries, contract farming is often faced with challenges that need to be addressed from a legal perspective, such as the level of understanding of contracts and law, and the availability of legal services at the farm level (Breyer et al., 2022). Farmers and the companies involved in contract farming need to understand the legal implications of the agreement they have reached. The lack of legal understanding can leave a trail of unequal contracts for farmers.

Current Agricultural Landscape in Iraq

Securing one of the earliest agricultural civilizations on the planet, Iraq has a long tradition of harvesting and sales that is divided into investor farming, subsistence farming, and cooperative farming. To a great degree, these two traditions continue right up to the present day (Muhialdin et al., 2022). The investor farmers use machinery and technology similar to the rest of the region, while the use of conventional machinery and methods and the concentration on a couple of rain represents several of the challenges facing peasant farming (Cao et al., 2021). In other regions, the agricultural industry is likewise just recovering from the destruction of decades of restored investment in the sector that did not appear to gain energy (Mentis, 2020).

Much of the farmland in Iraq runs at well below capacity, putting out an average of 30 percent of world production levels. There are several reasons for this, including the lack of investment, low seed input, or low use of fertilizer (Abdulridha & Alkarawy, 2022). Much of the circulation network and the core of the Iraqi agricultural industry is obsolete. Irrigation plans are also often observed to be close to failure and require massive capital expenses (Al-Muqdadhi et al., 2021). The farming industry is not the only industry that has seen a low level of state spending in the last 15 years because roads, electric systems, and sewerage companies all require restoration. Because of the unpreparedness of many farmers to invest in the agricultural landscape, the private economy is unlikely to come to the rescue of Iraqi agriculture (Cordesman, 2022). Because projected revenues are not insured for many farmers, they prefer to hold back on financing key farming inputs such as equipment, seed, and fences. Besides the absence of farmer commitment, other factors played a key part in the slow growth of the agricultural sector. These include faulty water management and the drainage system, which removes up to 90 percent of water from important cropping fields (Elaiwi et al., 2020).

Advantages of Contract Farming in Iraq

Contract farming is an arrangement between agriculture producers and buyer companies for the supply of agrarian products under familiar contracts, frequently at predetermined values. It is gaining popularity and has several advantages for developing countries (Adnan et al., 2020). Many highly diverse cash crops, be they grains, fruits, or vegetables, are now generally produced under contract conditions. Investment from a foreign country can support the transfer of new technology to local farmers under the contract farming system to reduce costs, reduce post-harvest losses, increase cooling storage life, increase the value chain, increase daily goods movement turnover, and increase the income of agribusiness farmers (Ikram et al., 2021). For farmers, the most important benefit of contract farming is market access. This arrangement represents a commitment from an agribusiness to purchase the crop even before it is grown, hence guaranteeing a market. By entering into a contract, the farmer has a clearer idea of what price can be expected and also some security on the disposal of the produce. By receiving technical as well as financial advice, the farmer is in a better position to reap the expected benefits (Meemken and Bellemare, 2020). For the agribusiness, contract farming offers better quality raw material without the risk of a volatile market, as well as the opportunity to develop long-term partnerships with farmers for a steady supply of raw material (Hasan & AL-Shammar, 2020). Other benefits of contract farming include risk reduction for the farmer, who is less weather-dependent due to guaranteed orders, and investment in the farmer by the agribusiness, which has enabled improved technology, increased land size under cultivation, speculative investment, and cutting out middlemen. For the consumer, the advantage would be access to quality produce at competitive prices (Ye et al., 2020; Pham et al., 2021).

The implementation of contract farming in Iraq will have several advantages and benefits for the locals. Iraqi farmers will benefit from economic, social, and environmental aspects. This study discovered several key advantages of implementing the process, which will be discussed in the following subsections (Al-Obaidi et al., 2022).

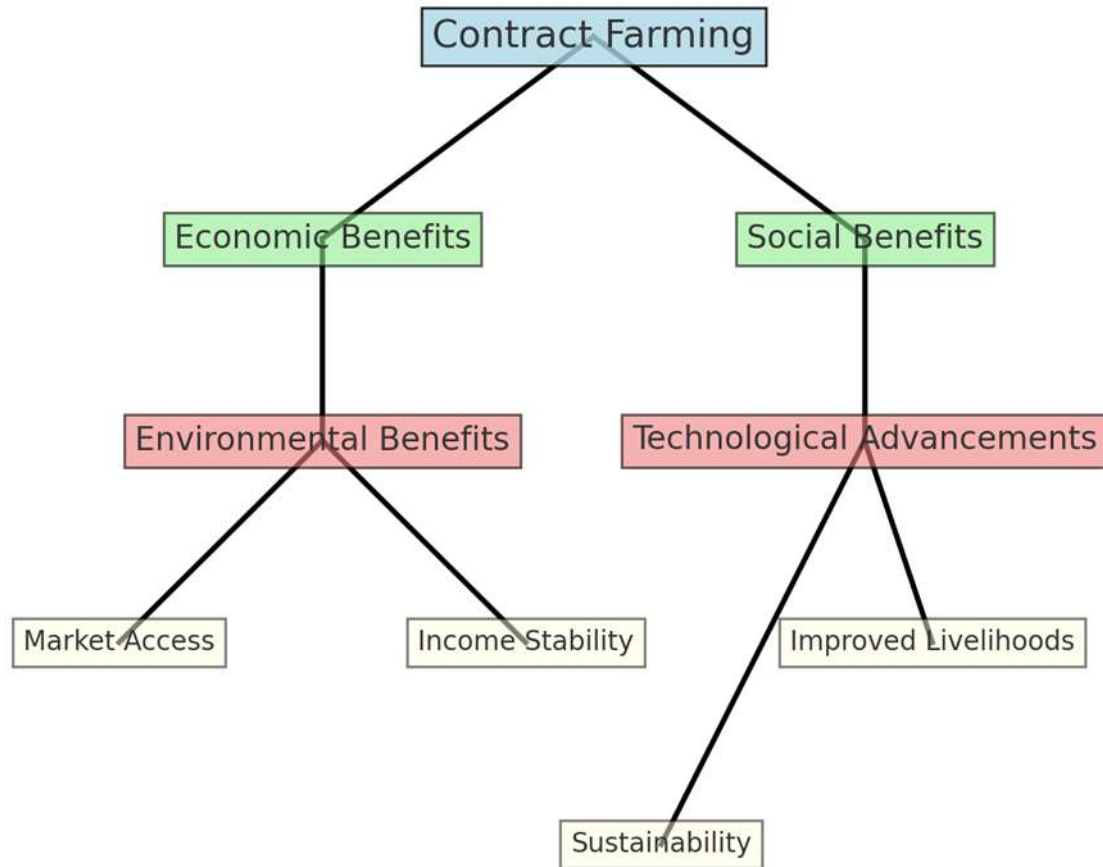
Contract farming can stabilize farmer income and completely remove price risk for the farmer. This would allow the farmer to plan their life with a much higher degree of certainty, i.e., the 'buy now, pay later' agreement. Improved structural investment in agriculture in the form of capital investment made available by agribusinesses for property and infrastructure, e.g., fences, yards, water reticulation, etc. Infrastructure investment could be incurred directly by agribusinesses (Ren et al., 2021). There is a greater appeal for banks to lend for structural improvement on farms, resulting in bigger negotiation power for farmers due to larger equity (de Janvry & Sadoulet, 2020). Agribusinesses can take credit risks at low costs. By purchasing property and helping farmers in the production process, agribusinesses and, therefore, small to medium farmers may derive economies of scale. Decreased costs per kg due to 'bulk purchase' advantages. An opportunity and the possibility for agribusinesses to assist in farming development regarding previously disadvantaged communities (Adobor, 2020). More creative marketing opportunities for private labels, branded produce, or take-home packaged, family-oriented food products (Esteky, 2022).

As a result of operations being larger due to the involvement of more ecologically expanded regions, contract farming could aid improved rural development through job creation. An increase in on-farm production would create employment (Meemken and Bellemare, 2020). This would manifest regardless of whether individual farmers undertook the operation or whether it was executed by one dominant agribusiness, i.e., modern farming methods and techniques. Improvement in the material environment. Increased sales of material possessions such as food, fuel, and stock feed would result in increased local retail business (Vadakkepatt et al., 2021). The benefits of implementing infrastructure could possibly provide a platform for export. Increased foreign income through foreign exchange. Increased employment. Increased Gross National Income (GNI). Gains for the local economy (Abdlaziz et al., 2022).

Modernization is critical for promoting development and increased productivity. This subsection outlines why high-tech machinery, processes, and training of labor farmers are crucial for modernizing agribusiness in Iraq (Ballatore, 2021). The destruction of numerous farms during the war has led to a significant shortfall in essential machinery. In the aftermath of the tumult, contemporary agricultural equipment was designed to withstand the threats posed by landmines, which have continued to hinder agricultural development. Collaborative efforts between agribusiness entities and farmers have facilitated farm owners' access to advanced, state-of-the-art agricultural tools, ultimately enhancing their productivity and efficiency in farming operations. (Amanah et al., 2021). Involvement in agribusiness has already helped in organizing and sponsoring the training of farm owners, local staff, and companies in modern farming practices and the effective utilization and practical know-how in the use of machinery (Barnard et al., 2020). To help develop existing trends, managers at both companies are looking into ways to collect and process the data that the farming equipment produces. Raw data gathered from the farms and used in the report aims to provide growers with a service that will give cash for actual on-farm income loss (Neethirajan & Kemp, 2021). While it is still currently a trend, with the desire to start the farming journey, the potential to increase production and reduce costs through using technology is significant (Osinga et al., 2022). The company's move to establish a similar service that will provide information on the likely yield of seed is also important (Fragapane et al., 2022). Modernization is a crucial aspect of developing Iraqi agribusiness. Companies are heavily investing in the growth of the country's farming from large plots of land upwards (Smith & Robertson, 2023). Training farmers to work effectively will also bring them into the culture of agribusinesses, ensuring that they raise their standards to match those required for exporting. Rebuilt farms should also be updated with the machinery and structures to allow for global throughput and the ability to keep up with modern global requirements. This is all made possible by the training of the farmer and his manpower (Meemken, 2020).

Agribusinesses collect a large quantity of data through consumers but also from the farms themselves. When this data is used effectively, it can increase production and implement preventable practices for other systems such as water. The companies helping to fund this development also look to make sustainable land use and safety a priority (Bhat & Huang, 2021). Any damage farmers cause to the land can result in the loss of their employment at the companies producing food - land must be protected. Through their use of data, anti-pollution schemes now clean up water used in farming to increase the amount of water available (Javaid et al., 2022). This water is built as part of a circular watering system and bypasses requirements for order from rivers, which would add cost. The deployment of modern technologies also makes it possible to develop farms into a fair and safe working place - an environment no longer associated with generally working in agriculture (Sharma et al., 2022). Figure 3 highlights key benefits like market access, income stability, and sustainability, along with the primary economic, social, environmental, and technological advantages. Each stage is interconnected to show how contract farming positively impacts various aspects of the agricultural system.

Figure 3. Benefits of Contract Farming



Source: Authors' own elaboration based on Javaid et al., (2022), Sharma et al., (2022), (Smith & Robertson, (2023) and (Bhat & Huang, (2021).

Contract farming may also strengthen the social fabric and contribute to greater social capital in rural communities. Contracting within rural communities is often collective, with neighbors jointly negotiating, arranging, and coordinating the transport of pickers to the point of work. Similarly, the emergence of contract farming in regions is underpinned by many such cooperative interactions (Ray et al., 2021). Further, the very institutionalization of a competitive enforcement process within rural communities can generate social capital, support networks, and logics of collective action among the weaker. Many poor owe their productive resources to their richer or better-educated peers and relatives within the community who act as patrons. The potential for cooperative outcomes in preventing environmental damage has been noted (Rigolini & Huse, 2021).

Although there are circumstances under which contract farming has significant potential benefits in providing the locus for more women to achieve status in agriculture and its allied industries, there are many other cases in which contract farming may serve to reinforce existing relations and norms with respect to the division of labor between the sexes (Martiniello, 2021). There are positive and negative social impacts of contract farming at the household level. While some households can participate in contract farming and access wage labor markets and also provide off-farm work, improving their living conditions and their capacity to pay dowry, other households, who cannot participate in contract schemes, are more and more

vulnerable due to debt accumulation and increasing reliance on food delivered by contractors (Meemken and Bellemare, 2020).

There is also a very contentious literature addressing the social impacts of large-scale agriculture associated with contract farming. In this literature, there is continued concern about the role of family farming in countries. The proposed amendments based on a perceived ideal of the quaint family farm are largely irrelevant to the nature of farming. Similar discussions are not couched in terms of the need to maintain a "family farm" sector, but there are similar attempts to "re-territorialize" farming, partly on the basis of social and political considerations (Mizik, 2021).

The social impacts of contracts vary with the decisions that are taken, contracts that are on offer, and the varied socio-economic contexts in which contracting occurs. There is a strong need for more research in this area so that safety nets can be developed that will protect smallholders from some of the less favorable outcomes of contracting. In this way, the social impacts of contracts flow back to assess the institutional environment (Heydemann, 2020). If this is unfavorable, then it can be expected that all the potential negative social implications of contracting become evident. Given the importance of the socio-institutional environment, the least developed contracts theory does not ignore it. As well, it can be said that as with many aspects of agricultural production and marketing, where volumes outweigh administered marketing and other contracts, a standard perfect competition model is in many instances the logical starting point. In the case of the economic role of farmers and aggregated contracting effects, this need not apply, however (Loewe et al., 2021).

Conclusion

In conclusion, if implemented properly and collaboratively by the government and private sector, contract farming can be an effective tool for farming in Iraq. It would offer a wide range of direct and indirect advantages to local farmers (Hamasalih and Layeeq, 2023). The most significant direct contribution would be providing farmers with a fair price, creating economic stability, and reducing dependencies on loans. Besides, it builds on capability improvement, productivity progress, and technological advancement (Mahmud, 2021). Each case study clearly showed that the adoption of contract farming has made a transformation that is not possible within the traditional agricultural marketing system. Although this essay discussed more advantages than barriers to implementing contract farming, it should be noted that large-scale adaptation faces many complicated challenges (Chen & Chen, 2021). Overcoming these barriers requires a range of support policies from the Iraqi government and changes in the thinking and behavior of farmers, especially smallholders.

Based on the module discussions, this essay has directly and indirectly tackled the advantages that Iraqi farmers would receive as a result of contract farming agreements. The cooperation between the farmer, agribusiness, and government would be ideal if it is a real case (Albaaji & Chandra, 2024). An adaptation of this system needs to be encouraged and regulated by the central government, recommending amendments to the law of contracts. Science graduates studying at the college must have easy access to the contract, educate and advise farmers on how the contract farming system should work in practice, and capacity-building programs must be provided accordingly (Abbott & Snidal, 2021).

This paper examines the historical development and current situation of contract-farming schemes for milk production in the central-west region of Brazil's sprawling State of Minas Gerais. It offers an in-depth analysis of the contractual arrangements between small cattle producers, referred to as milk suppliers, and the large agrifood enterprises and their local buying agents, known in Brazil as *laticínios*. The paper adopts an ethnographic perspective, delving deep into the activities, experiences, and aspirations of milk producers in the rural Municipality of Campo Belo. It argues that whether or not a contract is in writing what farmers and dairy enterprises create through their practice of contracting is a relationship of considerable intensity. Despite the contractual complexities and contradictions, each contract can be seen as a protective shield for each party, keeping out inclement weather and the vagaries of a potential misfortune.

The potato value chain in Toba Tek Singh, Pakistan, is increasingly contract-based. Here, as in other contract-farming contexts, actors involved faced myriad challenges as they endeavored to craft win-win settings. The recent evolution of the TTS potato value chain was examined in a value-chain study of inclusive growth. An exploration of contract-farming governance, dynamics, and outcomes was nested within that larger study. This longer paper summarizes that contract-farming case study, which was conducted by the study's field team during July and August 2015. The team talked with all big actors in the TTS potato value chain: elite largeholders, elite farmers (not all of whom are largeholders), smallholders, large traders, and representatives from a company that is active in potato processing in Pakistan and is the subject of one of the case studies in this collection. The team also interviewed some public sector workers.

This study demonstrates that contract farming can be a transformative tool for Iraq's agricultural sector, offering substantial benefits to farmers by providing price guarantees, market access, and technological support. Previous studies, such as, emphasized the general benefits of contract farming, while (Meemken & Bellemare, 2020) focused on social empowerment, and (Zhang, 2020) explored technological innovations. The government should conduct a periodic evaluation of the implementation of the recommendations related to promoting contract farming, where the actions taken should be evaluated and the results achieved and the extent to which they have achieved the set objectives should be studied. Effective follow-up should also be conducted on the implementation of the recommendations and the progress of programs and projects related to contract farming should be monitored. Key indicators and standards should be identified to measure performance and the results should be presented in periodic reports, in addition to providing appropriate recommendations to ensure that the desired objectives are achieved and the necessary measures to address any problems that may arise in the implementation process. The study recommends that the government take several steps to promote contract farming, including providing adequate financing and financial support to farmers who participate in agricultural contracts. Education and awareness programs should also be supported for farmers and companies to understand the potential benefits and risks of contract farming. Rural and logistical infrastructure should also be developed to enhance farmers' capacity to effectively implement agricultural contracts. In addition, research and innovation in this field should be encouraged to improve the productivity and quality of contract farming products. Finally, the government should conduct periodic evaluations and effective follow-up on the implementation of the proposed recommendations and ensure that the desired objectives of promoting contract farming are achieved. However, our study is unique in its comprehensive approach to addressing Iraq's specific challenges, such as its fragile infrastructure, political instability, and economic volatility. This study goes beyond the findings of previous research by offering tailored recommendations that take into account the intricate dynamics of Iraq's agricultural landscape. The collaboration between the government and private sector, as proposed in this research, is crucial for achieving the full benefits of contract farming. Ultimately, our study provides a more contextual and practical framework for the successful implementation of contract farming in Iraq compared to prior research.

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