



## **e-NAM: A Reforming Agriculture Market**

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### **ABSTRACT**

*At present near to 56 per cent Indian population is totally depends upon agriculture sector for their survival, the essentiality of unification of market both the National level and State. Thus, on April 15, 2016, Prime minister launched National Agriculture Market portal (e-NAM) for connect e-mandies in several States. this is an a online inter-connectivity of e-mandies and it is to much needed for enabling get better prices of produce to the farmer and reforms agriculture market. To remove the inter-state barriers in moving farm produce Government's take a decision for a creating this e-platform for the farmers and can be a fulfilled the requirement of each states. Agriculture Produce market committee Act (APMC) and physical logistic support to farmers these are two most important requirements of farmers to move their crops, so e-NAM has the potential to reforming the Indian agriculture market from tradition to an modernization and increases the profit of farmers. The paper also describes the intentions of e-NAM, Benefits of e-NAM, Current Status of e- NAM and Challenges of e-NAM.*

**Keywords;-** e-NAM, APMC, e-MAndi.

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### **INTRODUCTION**

For the development the Indian economy Government realize the importance of agriculture sector and their growth. As present nearly 60 percent population is of its depend upon agriculture for their survival. So the importance of Indian agriculture cannot be neglected. The nature of agriculture sector is highly vulnerable due to the more uncertainties in the crop enterprises and their production. In present this sector so many weakness of the agriculture marketing system. The total annual income of a farmer is purely depends upon both the price and the yield that is produce fetches [1-3]. The large number of programs has been rolled out by the Government to improve the yield level on sustainable basis it recognize the need for creating a competitive market structure in the country that will generate marketing efficiency. The aim of doubling the income of the farmers in next five year Union Budget has increased rural credit to Rs 10 lakhs crores in fiscal (2017-18). E-Nam it has been integration of agriculture market overall the country trough e-platform is seen as an important measures for overcoming the challenges face by the present agriculture marketing system namely- fragmentation of Satiates into multiple market are , each administrated by separate APMC ( Agriculture Produce Marketing Committer), multiple levy of mandi fees, requirement of multiple license for trading in different APMCs , licensing barriers leading to conditions for monopoly , poor quality of infrastructure and low use of technology , information dissymmetry, confound process for price discovery , high level market charges , movement controls, etc. Its time bring together market at state level and National level, therefore improver supply chain , reduce wastage , clearly the requirement of time, to provide a better price to farmers and create a unified national market [4-6].

### **Objectives of the study**

To study the intentions taken by The Government under the e-NAM portal, also study the how does e-NAM operates, which are the major objectives of e-NAM Benefits of e-NAM to the farmers for increase their livelihood and increases the effectiveness of agriculture market, also study is important to show the

current status of e- NAM in India and finally it important to study the which are the present challenges f of e-NAM.

### DATA COLLECTIONS

To analysis will be done with the help of secondary data. The data collected mainly websites, annual reports, research reports, Already conducted survey analysis.

**How does e-NAM operate:-** The Government of India (Through Ministry of Agriculture And Farmer's Welfare) invested to create a e-NAM electronic trading platform. It offers a "plug-in" to any market yard existing in a State (whether regulated or private). The special software developed for NAM is available to each mandi which agrees to join the national network free of cost with necessary customization to conform to the regulations of each State Mandi Act.

The national level platform has been developed by the Ministry of Agriculture & Farmers' Welfare, which will also bear the maintenance costs. As stated above, the integration costs for local mandis and customization of software, training etc. will also be paid for by the Ministry of Agriculture & Farmers' Welfare as a one-time grant at the time of accepting the mandi in the national network [.

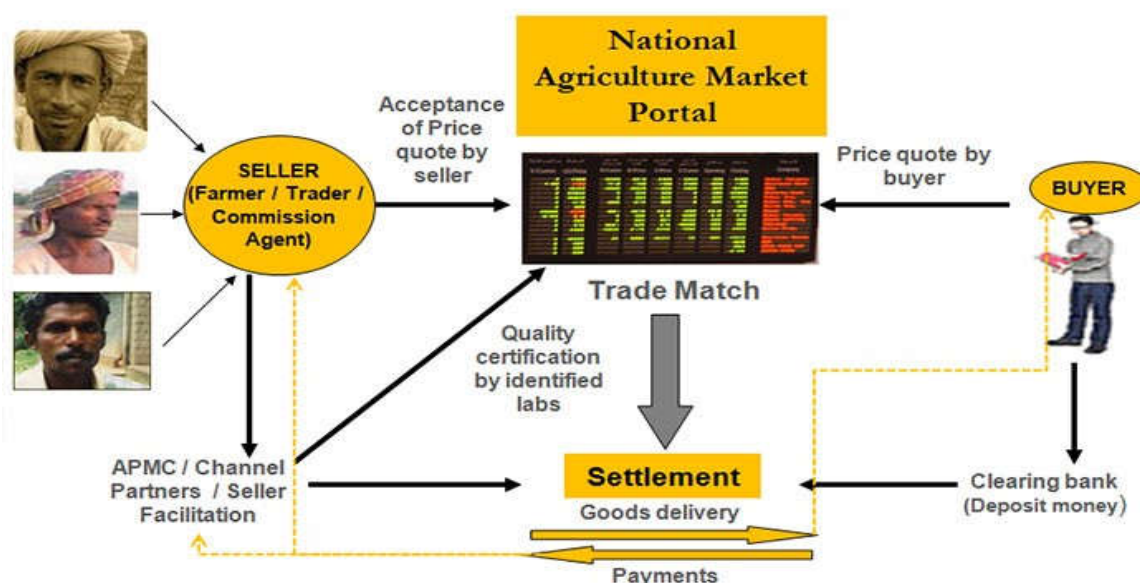


Fig 1: e-NAM working model

Thereafter, the running costs of the software at the local level, staff costs for quality check etc. will be met from the transaction fee to be generated through the sale of produce. The intention is to avoid any upfront investment by the mandi when it integrates into NAM, and also enable it to support the running cost through additional generation of revenue. Ministry of Agriculture & Farmers' Welfare, Govt. of India has appointed Small Farmers' Agribusiness Consortium (SFAC) as the Lead Implementing Agency of NAM. SFAC will operate and maintain the NAM platform with the help of a Strategic partner selected for the purpose [9].

### What are the Objectives of e-NAM [10]:-

- 1) A national e-market platform for transparent sale transactions and price discovery initially in regulated markets.
- 2) To make sure that willing States enact suitable provisions in their APMC Act for promotion of e-trading by their State Agricultural Marketing Board/APMC.
- 3) For traders / buyers and commission agents without any pre-condition of physical presence or possession of shop/premise in the market yard the State authorities provide liberal licensing.
- 4) Across the all markets in the states to provide one license for a traders.
- 5) Harmonization of quality standards of agricultural produce and provision for assaying (quality testing) infrastructure in every market to enable informed bidding by buyers.
- 6) Single point levy of market fees, i.e on the first wholesale purchase from the farmer.
- 7) Extend provision of Soil Testing Laboratories near the selected mandi to facilitate visiting farmers to access this facility in the mandi itself.

### Benefits of e-NAM:-

- 1) NAM is envisaged as a win-win solution for all stakeholders.
- 2) For the farmers, NAM promises more options for sale at his nearest mandi.

- 3) For the local trader in the mandi, NAM offers the opportunity to access a larger national market for secondary trading.
- 4) Bulk buyers, processors, exporters etc. benefit from being able to participate directly in trading at the local mandi level through the NAM platform, thereby reducing their inter-mediation costs.
- 5) The gradual integration of all the major mandis in the States into NAM will ensure common procedures for issue of licenses, levy of fee and movement of produce.
- 6) In the near future we can expect significant benefits through higher returns to farmers, lower transaction costs to buyers and stable prices and availability to consumers.
- 7) The NAM will also facilitate the emergence of integrated value chains in major agricultural commodities across the country and help to promote scientific storage and movement of agri-commodities.

**Current Status of e- NAM [11]:**

It primarily targeted at integrating 21 mandis in eight state; Uttar Pradesh, Gujarat, Telangana, Rajasthan, Madhya Pradesh, Haryana, Jharkhand and Himachal Pradesh. Launched with a budget allocation of Rs. 200 crore, 25 key agri produces, including wheat, paddy, maize, onion, jowar, bajra, groundnut, potato, soyabean and mustard seed, were chosen for e-trading. As per Press Information Bureau, Government of India, Ministry of Agriculture, 14-May-2018, 585 regulated mandis in 14 states are linked with the eNAM. So far, 73.50 lakh farmers, 53,163 commission agents and over 1 lakh traders are registered on it from these 14 states.

Union Government is going to link additional 200 wholesale mandis to online trading platform e-NAM to encourage inter-mandi transactions. Government is ensuring that all wholesale agri-mandis adopt online auction and gradually allow trading between mandis in state and eventually between mandis outside states, thereby setting up single national agriculture market for benefit of farmers.

**Challenges:**

- 1) Even if the structure looks simple, for farmers, it may not be as simple as expected. Most of the farmers have tradition of vending their produce to a local product aggregator then taking their crops to the mandis.
- 2) Even if some farmers take them to mandis, their yield would be insignificant to motivate distant buyers bidding online. In this circumstance, the probability for better price discovery is quite partial.
- 3) Quality differences in commodities at both the state and national level pose a challenge. For example, wheat in Punjab and Haryana is of medium quality whereas those from Madhya Pradesh and Gujarat are of higher quality.
- 4) Electronic platforms like NAM would be a right platform only for trade standardized commodities and for the rest it may not be.

The Farmers can still resolve the above mentioned difficulties and obtain benefits if they can find ways to aggregate their produce on their own dodging local produce aggregator. In this, the cooperatives and farmer produce organizations can play a assisting role to aggregate commodities. Improvements are also required covering all facts of agricultural sector such as soil health, traditional farming, irrigation, extension services, fertilizers among others to make the sector attractive. This will create a large number of employment openings; making sure surplus production of all commodities and operational functioning of NAM. Reforming agricultural markets requires sincere efforts and effective participation of all the stakeholders.

**Responsibility of States for Effective Implementation:** The states must make sure about the restructurings in their APMCs are carried out both in letter and spirit. To make the initiative efficacious, the states have to embark on the following reforms [12]:

- 1) Provision for electronic auction for price discovery.
- 2) Provide a single license to be valid across the state.
- 3) Provision for a single point levy of market fee.

It should also be noted that only those states/ UTs which live up to the above three conditions will be authorized for assistance under this scheme. The Government's decision to form National Agriculture Market (NAM) e-platform for farmers will eliminate inter-state obstacles in moving farm produce and can be a game changer provided the conditions are fulfilled by states. These two most important conditions include amendment of the state Agricultural Produce Marketing Committee Act (APMC) Acts and physical logistic support to farmers which would enable them to move their crops, e-NAM has the potential to transform Indian agriculture from traditional to an entrepreneurial and a revenue making venture. But this will only be possible with auxiliary additions in infrastructure, easy credit disbursal and vigilant inspection and implementation [13].

## CONCLUSION

Formation of the National Agriculture Market is a landmark initiative. It would provide the farmers more option of sale of their produce and increase the accessibility of market to farmers through warehouse based sale and obviates the need to transport the produce to the Mandis. For local traders e-NAM would provide an opportunity to access the National Market while for bulk and big traders it would provide an opportunity to directly participate in local Mandis and will reduce the intermediation cost. However, it will happen when e-Nam become fully operational throughout the country and the eventual goal of 'One Nation One Market' for agricultural produce will become a reality. Briefly, the recent initiatives certainly will help in strengthening the rural economy and would generate more rural employment. It would help in increasing productivity and in achieving goal of food security and inclusive growth in the country. Besides, these reforms in agricultural market will help India to meet the challenges posed by global markets in the era of globalization and liberalization.

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