

# A STUDY ON ONLINE TRADING PLATFORM FOR FARM GOODS - E-NAM : ONE NATION ONE MARKET

Ms. Dhanalakshmi K, Asst. Professor,  
Ramaiah Institute of Management Studies

Mr. Sridhar, Asst. Professor,  
Ramaiah Institute of Management Studies

## ABSTRACT

Almost 80% of the Indians rely on agriculture were about 80% farmers in India belong to marginal landholding less than 1 hectares) or small farmers (land holding between 1 to 2 hectares). One revolutionary step is the formation of National Agricultural Market (NAM), a platform where the farmers get a fair and remunerative price for their agriculture produce and generate a reasonable earnings / income by minimising the clutches of middlemen. The study was conducted to know about e-NAM, to identify the essential reforms of e-NAM and the assistance provided to farmers, to study on the working model of e-NAM and to know the reasons why the other states have not considered the e-NAM

NAM is a pan India electronic trading portal symbolising one nation one market. It is a portal which provides a single window service for all Agricultural Produce Market Committee (APMC) related information and services. e-NAM is a platform suitable for all stakeholders and offers the opportunity to farmers, local traders, commission agents too. For farmers NAM promises more options for sale at his nearest mandi. For local traders, it offers the opportunity to access a larger national market for trading. It aids the bulk buyers, processors, exporters and others to participate directly in trading at the local mandi, which reduces the intermediate or integration costs.

**Key words :** e-NAM, Mandi, transparency, price, agricultural produce

## INTRODUCTION

India's basic occupation is agriculture. Almost 80% of the Indians rely on agriculture were about 80% farmers in India belong to marginal landholding less than 1 hectares) or small farmers (land holding between 1 to 2 hectares). The finance minister, Arun Jaitley rose to present the Union Budget 2018 in Parliament gave a clarion call to double farmers income by 2022 though India celebrates its 75<sup>th</sup> Year of Independence. As Agriculture supports nearly 50% of the employment but contributes only 15% to the GDP.

Though there are have been reports of farmers' suicides, probably due to their poor financial condition, due to irregular income, uncertainty of incomes of the farmers. The Government has taken an initiative to double the farmers inform by 2022-23 considering the base year 2015-16, which translates an annual growth rate of 10.41% and to get rid of the clutches of money lenders and middlemen.

Government has taken a lot of policy initiatives and also in the Budgetary Allocation of Agriculture and Farmer Welfare Ministry for 2018-19 has been raised to Rs 58,080 crore from 51,576 crore in 2017-18. Government is pushing up many reforms and implementation of schemes in agriculture

sector and aims to shift priority from production to income. In this regard, one revolutionary step is the formation of National Agricultural Market (NAM), a platform where the farmers get a fair and remunerative price for their agriculture produce and generate a reasonable earnings / income by minimising the clutches of middlemen.

## RESEARCH METHODOLOGY

### Objectives of the study :

- To study to know about e-NAM
- To identify the essential reforms of e-NAM and the assistance provided to farmers.
- To study on the working model of e-NAM
- To know the reasons why the other states have not considered the e-NAM

### Scope of the study

The study is confined to know all about the implementation of e-NAM and how it is useful for the farmers as well as for the society. The study has aimed to concentrate basically on the facilities, reforms and measures taken to aid the farmers and to know how e-NAM functions and aids the farmers.

### Research Design

This study is a descriptive study and the information collected is through the secondary source namely articles, newspaper, websites.

The study collected describes on the usage of e-NAM, Working Model of e-NAM, how it operates and the facilities available for farmers to make use of e-NAM

### Limitations of the study

- Time constraint
- Accuracy of the information is purely based on secondary source.

## DATA ANALYSIS

### • About e-NAM

NAM is a pan India electronic trading portal symbolising one nation one market. e-NAM is an online network of e-mandis directed towards doubling the farmers Income by 2022. It is a portal which provides a single window service for all Agricultural Produce Market Committee (APMC) related information and services.

It is a platform that has been created with an investment by the Government of India (through the Ministry of Agriculture and Farmer's Welfare). The software developed for NAM is

available to each mandi agrees to join the national network at free of cost and conforms to the regulations of the respective state mandi.

Government has appointed small farmers agribusiness consortium (SFAC) as the lead implementing agency of NAM. SFAC will operate and maintain the NAM platform with the aid of Nagarjuna Fertilisers and Chemicals and chosen to be their strategic partner, responsible for development, operation and maintenance of e-NAM platform.

APMC administers the market areas, under which, state follows as per their agri-marketing regulations. Fragmentation of market hinders free flow of agri-commodities from one market area to another and multiple handling of agri-produce and multiple levels of mandi charges ends up escalating the prices for the consumers without benefiting the farmer. e-NAM is a unified market through online trading platform, both at state and national promoting uniformity, streamlining procedures, removing information asymmetry between buyers and sellers.

It is a platform which ensures transparency in auction process and access to a nation wide market for the farmer with prices as per the quality of his produce with online payment and ensuring availability of better quality produce at a reasonable price to the consumer.

The primary objective of e-NAM is formation of a national e-market platform for transparency, transparency transactions and price discovery, to ensure fair and remunerative price for the farmers for their produce. The secondary objective of e-NAM is elimination of middlemen, accurate quality assessment, option to sell anywhere in India etc., are some of its other benefits.

Government to link 109 more mandis on e-NAM by 2020. 470 mandis in 14 states, viz., Andhra Pradesh, Chhatisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Telangana). The other states and union territories interest are Punjab, Kerala, West Bengal, Chandigarh and Puducherry. The states, viz., Telangana, Gujarat and Maharashtra wants to connect additional mandis.

#### • **Essential reforms and assistance provided to the farmers**

The three essential reforms of e-NAM are

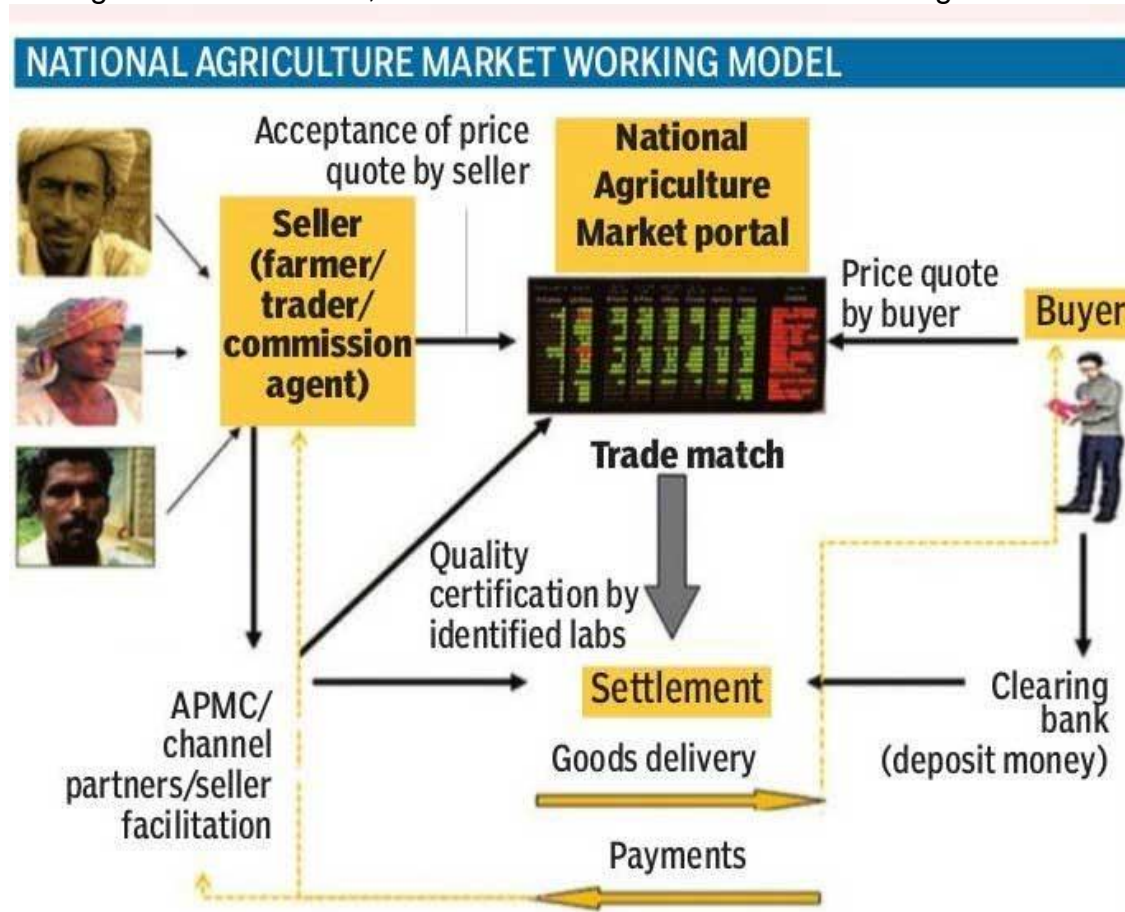
- States must carry out for consideration are e-trading.
- Single point levy for market fee and
- Unified single trading licence for the state.

The assistance provided to farmers are :

- Free-access to e-NAM
- Financial assistance for computer hardware
- Internet facility and assaying equipment for farmers
- Mandi analyst for each e-NAM mandi for a year and training to stakeholders.
- Registration of Commission agents
- To curb physical implications of quality of produce to mandis
- To ensure quality assessment of farmers produce in a scientific and professional manner
- To encourage direct transfer of sale proceeds to farmers bank account
- For sale and purchase of agri-produce in an efficient and transparent manner
- To reduce transaction cost and information asymmetry

#### • **Working model of e-NAM**

e-NAM is a platform suitable for all stakeholders and offers the opportunity to farmers, local traders, commission agents too. For farmers NAM promises more options for sale at his nearest mandi. For local traders, it offers the opportunity to access a larger national market for trading. It aids the bulk buyers, processors, exporters and others to participate directly in trading at the local mandi, which reduces the intermediate or integration costs.



Source: Small Farmers' Agribusiness Consortium (SFAC)

e-NAM ensures to give common procedures for common licence, levy of fee and movement of produce. It also facilitates the integrated value chains in major agricultural commodities across the country and helps to promote scientific storage and movement of agro commodities.

The provision of One licence for trader has been made valid across all markets in the States. This enhances the farmers can showcase their produce in nearby markets and facilitate traders from anywhere to quote the price, the provision for single point levy of market fees. NAM has a mechanism to create a national network of physical mandis which can be accessed online.

Farmers are provided a ID(by APMC), which helps to get a system generated unique lot number for pasting on the bags that contain the commodities and aids in identifying easily their reference goods or commodities. The farmers may sort and grade their produce, fi the sorting and grading facilities are available in the mandi.



The farmers or commission agents can evaluate their produce at the APMC testing lab and to be uploaded linking it to the lot number of the produce. The test results will benchmark to quality parameters of various commodities and can be put for sale.

APMC official can validate on e-trade section and this offer will be given only to the registered users and then bidding should be allowed till a fixed period of time of the day and the results of the bidding will be declare on the time declared by APMC and the wining bid will be displayed and visible to all the users.

The weights of the produce has to be measured at designated weighing centers post execution of trade. Once the trade is confirmed, NAM platform shall generate a primary invoice automatically and shall be sent to the winning bidder on e-mail and SMS. The payment network is provided through NET/RTGS, debit card, internet banking, Unified Payment Interface facility through BHIM support has been provided to receive / make payment. Once the payment is done, a confirmation message is sent to the farmer / commission agent and funds will be transferred to their respective bank accounts by one business day by the bank operating the NAM account.

### Reasons why e-NAM is not considered by other states

- It has not given the provision for all the states as mandatory, as APMC Act has to make a provision for electronic auction, as a mode of price discovery, allow a single licence across the State and have market fees levied at a single point.
- Lack of internet connectivity is another issue, which is an impending progress taken up the Government to move ahead.
- There are no scientific sorting/grading facilities or quality testing machines and are in need of few upgradation machines too. The facilities are minimum and it has to be upgraded to fulfil the needs of the farmers as well as the middlemen/agents.
- In some of the states old equipment is being used, which may not be able to grade the produce on all parameters under e-NAM.
- State Agricultural Departments have been finding it difficult to convince all stakeholders — farmers, traders and commission agents — to move to the online platform.
- Lack of Technical Expertise at the State Agricultural Departments has also delayed the setting up of grading/assaying facilities, say officials from the mandis. There are need of expertise to assess the kind of equipment needed for the crops in the Mandi, which still seems to be clueless.
- Traders fear the taxman.
- Farmers fear lower prices, if the produce is assayed.

## CONCLUSION

Trading portal for farmers has targeted for more than 585 regulated wholesale markets to access and promote agri tech infrastructure fund with a budget of Rs 200 crores. With a ceiling amount of Rs 30 lakhs pilot test integrating 21 mandis in eight states led the e-NAM portal for success. Out of which 1.11 crore farmers have registered on e-NAM to sell and produce the goods or commodities through online, where 250 mandis in 10 states linked with e-agri market in first phase, where 421 crores have been traded.

The stake holders needs time to adopt this system, to bring a change in millions of users for their livelihood, bring down post harvest losses due to faster movement of the produce. It is certain to ensure the farmers or commission agents for transparency, transparency transactions and eliminations of price discrimination. It would prove a milestone in achieving the increase the income of farmers

## BIBLIOGRAPHY

A study on market linkages for agricultural commodities online trading platform for farm goods launched, The Hindu Business

Agricultural statistics at a glance various issues compiled by Directorate of Economics and statistics, 2016

Central Statistical Organisations data published

Chand Ramesh, Niti-Ayog, Doubling Farmers' Income Rational Strategy Propsects and Action Plan, March 2017.

Economic Survey 2017-18, Ministry of Finance, Government of India

Farmers register on e-NAM, [www.moneycontrol.com](http://www.moneycontrol.com), August 07, 2018.

How to reform agricultural markets, financial express, Oct 30, 2018

Ministry of Agriculture and Farmers Welfare, Government of India Agriculture Statistics at a Glance, 2016.

Netherland delegation appreciation e-NAM systems, United News of India, Dec 2018.

Slowly and steadily e-NAM platform is taking root, Business Line

Trading portal for farmers to be launched by 2018, Radha Mohan Sing, Press Trust of India, May 13, 2016

[www.cacp.docnet.ic.in](http://www.cacp.docnet.ic.in)

[www.mospi.gov.in](http://www.mospi.gov.in)