

National Agriculture Market (E-NAM)

[UPSC Notes]

Features of E-NAM

The E-NAM platform is supported by transparent sale transaction and help in price regulation of agricultural products. The states interested in participating in this E-NAM platform have been supported financially. It Includes:

- There is liberal licensing of the traders or the buyers and the commission agent elected by the state authorities.
- The single license for the trader is valid for all other markets in the state.
- Getting information about the quality of agricultural products and quality testing of the products should be carried forward in all the market yards and Mandis.

Objectives of E-NAM

The vision of E-NAM is to increase agricultural marketing through a digital platform. It allows farmers to control the prices of the farming products manufactured by them. As a result of this system, farmers have access to a larger market for the sale of their agricultural products.

The following are the objectives of E-NAM:

- To integrate markets at the state level and to have a complete online network of buying and selling. Expand this network throughout the country and have a common online market platform.
- To provide streamlined marketing facilities to the farmers and to adopt a uniform process for selling and buying across the country.
- Due to this system, farmers have better marketing opportunities and can also have a greater number of sellers and buyers. This can also help regulate the price gap between agricultural products in rural and urban areas. A transparent auction process can be done. Quality products will be provided to the consumers, and the digital payment system will also be uplifted.
- Quality products with reasonable prices will be made available to the people.

Benefits of E-NAM

e-NAM provides single window services for all Agricultural Produce Market Committee (APMC) related services and information. It is a transparent trading system that is targeted throughout the country.

The price information is available on the e-Nam app, and sellers can have the feature of SMS through which they have information about the price and the quantity of the products. The payment is directly made into the bank account of the farmers, due to which any illegal things will not take place. For seamless operations, e-NAM mandates three changes in the agricultural marketing laws of states.

The benefits of E-NAM are stated below:

- Transparent online trading.
- Real-time price checkup
- Better price for the producers
- Reduced transaction for the buyers
- Prices are regulated
- Quality products are supplied
- A good supply chain is provided
- No payment issues arise
- Access to a huge market

Some of the appreciable outcomes of the E-NAM scheme are:

- Single license for the trader to trade across the complete market around the state
- There is only single point market fee, so there are no more complications
- Electronic auctions are carried out for transparency in the price
- One can get the license very easily because no more complications are added for getting the license
- We get seamless transfer of the agricultural products
- The supply chain will be improved, and the wastage of agricultural products will be minimum
- Since farmers can sell their products directly to consumers, So they will get the maximum benefit from this system.
- Producers of agricultural products will do wholesale trade.
- The quality-based informed training will be taking place

Operating Process of e-NAM

A person will be appointed for a year in the mandi for the e-NAM portal service. This person will ensure the working of the portal. e service' 24x7 to get the total information about the portal. This system is primarily promoted by SFAC and controlled by the Department of Agriculture, Cooperation, and Farmers' Welfare. SFAC gives the tender to manage the e-NAM portal. The government of India is offering 30 lakhs for the participation of the Indian agricultural Mandis. Farmers working under this scheme are offered with 'farmers helpline'.

Recent Development made by the e- NAM

The government of India has opted for the integration of 415 Mandis into the collaboration of e-NAM in phase 2 and has achieved this goal by integrating 38 Mandis into it. Phase 1 had

already integrated 585 Mandis with e- NAM. And currently, over 1000 Mandis are working under the e- National Agriculture Market.

The Ministry of Agriculture and Farmers' Welfare had launched three new features of the e-NAM Platform, which will strengthen agriculture marketing. It will reduce the farmers' need to physically go to wholesale mandis for selling their produce. The three new basic features were:

- Farmer Producers' Organisations (FPOs) Trading Module: The FPOs will upload the picture of their produce and quality parameters from their location, which in turn will decongest mandis and facilitate FPOs to avail online payment facility with ease of doing business.
- Integration of Negotiable Warehouse Receipt System (e-NWRs) Module: A warehouse trading module with a payment feature is launched under this module which will enable small and marginal farmers to place their produce in WDRA accredited warehouses.
- Launch of Logistic Module: It will help in seamless transportation of agri-produce and will promote inter-state trade by providing online transport facilities.

Benefits for the Stakeholder of e-NAM

The E-NAM has basically three prime stakeholders- the farmers, mandis and third-party regulators. All three have their own benefits, which are discussed below in detail.

Farmers

- e- NAM provides a wide market for the farmers to sell their products; thus, a fierce competition is compelled between the farmers.
- Providing the national market is the main aim of e- NAM, which is achieved by this system, and regulating the price is quite easy, and quality products are provided to the buyers.
- With high returns, the farmers are most benefited from this portal.

Mandis

- The bookkeeping and the reporting system cost are gone down because the automatic reports are created and the dealers' regulation has been improved.
- The commission agents are also working well with all rules and regulations. All the things are transparent, so any intentional things cannot be entertained, and no manipulation can be performed.
- Less manpower is required because all the things are carried forward online.
- It is also possible to predict agricultural product prices and to detect when the products will arrive.

For other parties

- The secondary buyers can use e-NAM to collect agricultural products, which can be further supplied to the export market; thus, they can access the large marketplace.
- The people who can collect the products in bulk can directly sell them at the local Mandis, reducing the intermediate cost.
- The transaction costs of the buyers are also reduced.

Challenges by e-NAM

The following are the challenges faced by E-NAM:

- It has become difficult for the government to convince the farmers and traders to opt for online trading; the farmers and the traders are still interested in traditional market schemes. Therefore, it has become difficult to shift them to the online platform.
- Farmer is still in confusion about the better price for their agricultural products because it has been found that the farmers are not getting enough money through this scheme.
- It is quite difficult due to lack of energy and lack of internet service with proper computer arraignment, and also there are a smaller number of a worker due to which the system cannot be properly operated and maintained.
- State authorities are not able to manage all the stakeholders of this system; they have struggled have the farmers, merchants, and dealers and cannot take them to the online platform.
- As there is no proper operation of this system, not a single state can run this campaign successfully.
- There are no people with complete technical knowledge for the management of this system.