

“NATIONAL AGRICULTURE MARKET (E-NAM)”

*Rachana K. Bansal¹, V. K. Gondaliya² and A. S. Shaikh³

^{1,2&3}Assistant Professor, Department of Agricultural Economics,
B.A. College of Agriculture, Anand Agricultural University
Anand, Gujarat-388110

*Correspondence Author Email- rachi.bansal22@gmail.com



Abstract:

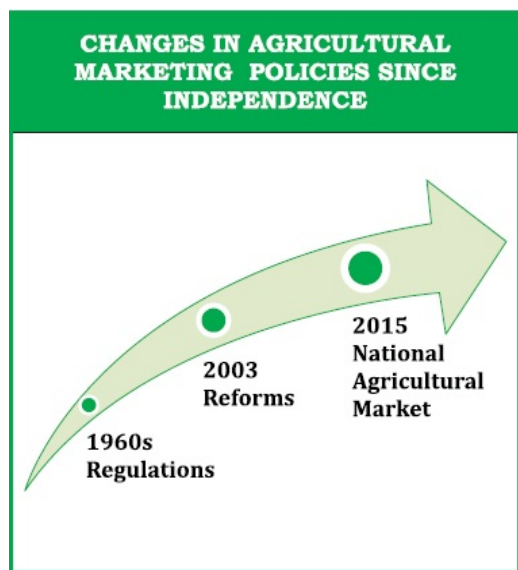
National Agriculture Market (NAM) is a pan-India electronic trading portal which networks the existing APMC mandis to create a unified national market for agricultural commodities. NAM is a “virtual” market but it has a physical market (mandi) at the back end. The NAM Portal provides a single window service for all APMC related information and services. This includes commodity arrivals & prices, buy & sell trade offers, provision to respond to trade offers, among other services. While material flow (agriculture produce) continues to happen through mandis, an online market reduces transaction costs and information asymmetry.

How Nam Operates:

The NAM electronic trading platform has been created with an investment by the Government of India (through the Ministry of Agriculture & Farmers’ Welfare). 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. Ministry of Agriculture & Farmer’s Welfare will bear the maintenance costs, the integration costs for local mandis and customization of software, training etc. 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.

Reforms in Agriculture Marketing:

Agriculture marketing is administered by the States as per their Agri-Marketing regulations Act, 2003, under which, the State is divided into several market areas, each of which is administered by a separate Agricultural Produce Marketing Committee (APMC) which imposes its own marketing regulation (including fees). This fragmentation of markets, even within the State, 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 commensurate benefit to the farmer.



NAM addresses these challenges by creating a unified market through online trading platform, both, at State and National level and promotes uniformity, streamlining of procedures across the integrated markets, removes information asymmetry between buyers and sellers and promotes real time price discovery, based on actual demand and supply, promotes transparency in auction process, and access to a nationwide market for the farmer, with prices commensurate with quality of his produce and online payment and availability of better quality produce and at more reasonable prices to the consumer.

Difference Between Nam and The Existing Mandi System:

NAM is not a parallel marketing structure but rather a device to create a national network of physical mandis which can be accessed online. It seeks to leverage the physical infrastructure of the mandis through an online trading portal, enabling buyers situated even outside the State to participate in trading at the local level.

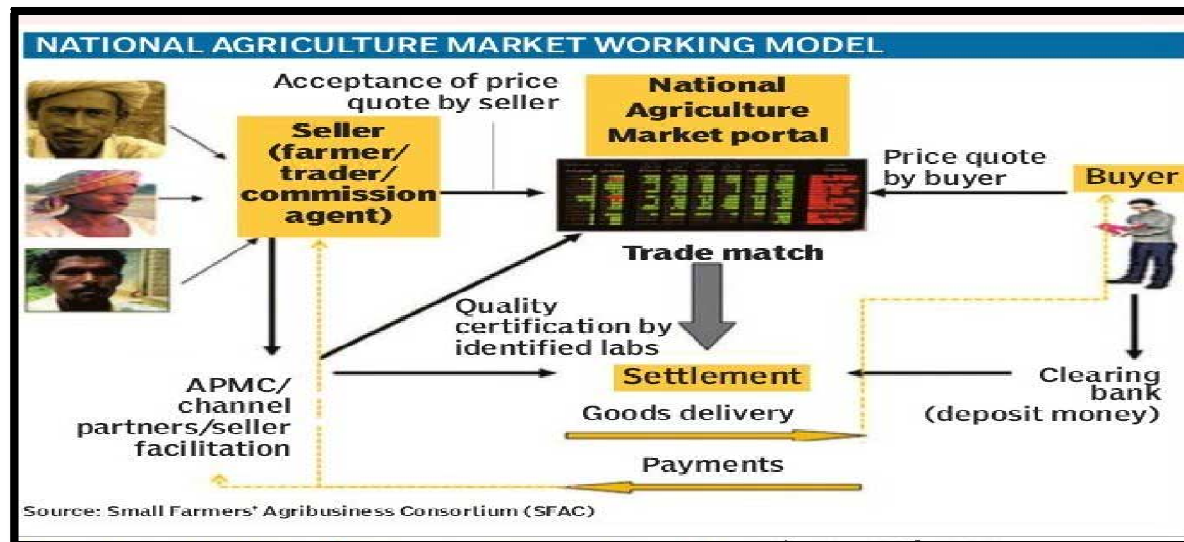
Different components in traditional market vis-a-vis national market			
Sr. No.	Component	Traditional Market	National Market
1.	Scale of Operation	Small	Large
2.	Price Discovery	Physical	Electronic
3.	Transparency	Low	High
4.	Market Information	Absent	Real-time
5.	System	Fragmented	Integrated
6.	Risk	Moderate	Low
7.	Price Signal	Weak	Sound
8.	Legal Framework	Restrictive	Harmonized
9.	Functions	Primary	Secondary & Tertiary
10.	Efficiency	Low	High

Benefits of Nam:

NAM is envisaged as a win-win solution for all stakeholders. For the farmers, NAM promises more options/choices for sale at his nearest mandi. For the local trader in the mandi, NAM offers the opportunity to access a larger national market for secondary trading. 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 intermediation costs. 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. 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. 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:

Ministry of Agriculture, Cooperation & Farmers’ Welfare, GOI has accorded in principle approval to the proposals of 12 States /UTs for integration of 365 mandis with e-NAM namely Himachal Pradesh (19 mandis) Haryana (54 mandis), Chandigarh (1) mandi, Rajasthan (25 mandis), Gujarat (40 mandis), Maharashtra (30 mandis), Madhya Pradesh (50 mandis), Chhattisgarh (5 mandis), Andhra Pradesh(12 mandis), Telangana (44 mandis), Jharkhand (19 mandis), and Uttar Pradesh (66 mandis).



Swot Analysis of Nam:

Stakeholders	Strengths	Weaknesses	Opportunities	Threat
Farmers	-Market access -Competition -Transparency -MIS-Information flow -Ease of payment -Proportionate share of value in value chain	Understanding -Grading -Cost	-High value realization -Value addition -Access to global market -Gender parity -Balanced distribution of power	-Social relation -Skewed development towards selected commodity/market of trade importance
Consumer	-Price stabilization -Curtail inflation -Consumer satisfaction -Wider product range -Better supply		-Consumers right -Quality product	
Traders	-Reduction in transaction cost -Transparency	- Understanding	-Business Expansion -Equal opportunity Environment	-Competition -Entry barriers
State/APMC	-Investment -Efficiency -Check evasion of market fee -Facilitator -Services to citizens	-Legal environment - Standardized legal provisions -Inadequate infrastructure	-Regional cooperation -Employment -Technology driven efficiency -Speedy reforms	-Control of centre -Inclusiveness -Revenue sharing -Availability of skilled manpower -Organization and management of change

For More Information Contact:

- ✓ www.enam.gov.in, E-mail to: nam@sfac.in
- ✓ Toll free number 1800-180-1581
- ✓ Phone nos. 011-41060075/41060076 of Small Farmer’s Agribusiness Consortium (SFAC)