



IMPACT OF e-NAM ON FARMERS INCOME IN TELANGANA

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INTRODUCTION:

Transforming Agricultural Marketing in Telangana through e-NAM

The agricultural sector is crucial to India's economy but faces challenges, particularly for small and marginal farmers, such as price volatility, market inefficiencies, and middlemen exploitation. To address these issues, e-NAM was introduced to streamline processes and provide better opportunities. In Telangana, an agriculturally rich state, e-NAM has significantly impacted farmers' income. This article explores the benefits and challenges of e-NAM for farmers in Telangana.

Understanding the e-NAM Platform

e-NAM, introduced in April 2016 by the Ministry of Agriculture and Farmers Welfare, is a pan-India electronic trading portal aimed at creating a unified national market for agricultural commodities. Its

primary goal is to eliminate middlemen, increase transparency, and facilitate direct transactions between farmers and buyers across the country.

1. Functioning of e-NAM

e-NAM links Agricultural Produce Market Committees (APMCs) across states through a common online platform, allowing farmers to sell produce online via market yards or mobile apps. After registration, farmers can track market prices, participate in online auctions, and complete sales directly, eliminating the need for middlemen. Payments are made directly to their bank accounts, ensuring transparency.

2. Growth of e-NAM in Telangana

Telangana has embraced e-NAM early, integrating over 57 APMCs into the system. As an agrarian state producing key crops like paddy, cotton, maize, turmeric, chili, and pulses, e-NAM's growth has been fueled by the need for efficient market practices and increased farmer awareness of the platform's benefits.



KEY BENEFITS OF e-NAM FOR TELANGANA FARMERS

1. Enhanced Price Discovery

A key advantage of e-NAM is improved price discovery. Farmers previously faced manipulated prices at local mandis, but e-NAM connects them to a national pool of buyers, offering a broader range of bids and leading to better price outcomes.

Sri N. Kheema, a farmer from Regadi Thanda village, has been cultivating paddy, maize, and chillies on his 3 acres for 25 years. On October 5, 2023, he sold 30 bags of paddy at the Mahabubabad APMC through e-NAM, achieving Rs. 3599 per quintal. Previously facing delays, sales are now completed within a day, leading to a 10-15% increase in income. Regular awareness programs by mandi staff have improved produce quality and prices, and farmers appreciate the support from the e-NAM platform.

2. Elimination of Middlemen and Direct Payments

Traditionally, middlemen bought produce at low prices and sold it at a premium, leaving farmers with minimal profits. e-NAM eliminates intermediaries, allowing farmers to receive direct payments and increasing their profitability.

Farmers like Mallikarjun from Karimnagar recall how middlemen dominated local markets. Now, with e-NAM, they connect directly with buyers, receive payments in their bank accounts within 48 hours, and no longer worry about delayed payments or hidden commissions.

3. Access to a Wider Market

Geographical restrictions previously confined farmers to local markets, causing



price crashes during surplus seasons. e-NAM has eliminated these barriers, allowing a turmeric farmer from Nizamabad to sell to buyers in Delhi or Mumbai without leaving his village. This expanded market reach ensures better pricing and reduces the need for distress sales when local markets are oversupplied.

4. Reduction in Post-Harvest Losses

Previously, farmers often transported their produce to mandis, only to return unsold due to low demand or unfavourable prices, resulting in significant post-harvest losses, especially for perishables. With e-NAM, farmers now transport their produce only after a sale is confirmed, reducing waste and saving on transportation costs.



THE CHALLENGES FARMERS FACE WITH e-NAM IN TELANGANA

Despite its immense potential, e-NAM has not been without challenges. Several factors inhibit its full adoption by Telangana's farmers.

1. Limited Digital Literacy

Many older farmers struggle with e-NAM due to limited smartphone and internet knowledge. Despite digital literacy workshops, they often rely on younger family members or market agents for access.

2. Connectivity Issues

Poor internet connectivity in rural Telangana hampers e-NAM use, making it difficult

for farmers in remote villages to connect and track prices. Improving internet infrastructure is crucial for better access.

3. Lack of Awareness and Hesitation to Change

Many farmers are unaware of e-NAM's benefits or hesitant to leave traditional markets due to distrust and fear of losses. Aggressive awareness campaigns are needed to promote the platform's advantages.

TELANGANA'S INITIATIVES TO PROMOTE e-NAM

To accelerate the adoption of e-NAM, the Telangana government, in collaboration with the central government, has launched several initiatives. These include:

Training programs:

Workshops in rural areas train farmers on using e-NAM, accessing market info, and making sales, with support from agricultural officers and tech experts.

Subsidies for Digital Tools:

The state government offers subsidies for smartphones and internet services to help farmers access e-NAM, aiming to bridge the digital divide and encourage wider participation.

Infrastructure Upgrades:

The government is working with private telecom providers to improve internet connectivity in rural Telangana, ensuring high-speed access even in remote villages.



REAL-LIFE SUCCESS STORIES FROM TELANGANA:

Several farmers in Telangana have benefited from e-NAM, showcasing how the platform has transformed their livelihoods.

1. The Rise of Cotton Farmers in Adilabad

Adilabad, a cotton-producing district in Telangana, has witnessed a surge in farmers' income thanks to e-NAM. Cotton prices in local mandis were historically volatile, leaving farmers at the mercy of local traders. With the advent of e-NAM, Adilabad's cotton farmers began selling their produce to buyers in Maharashtra and Gujarat, where

demand was high. Today, they report a 20% increase in their overall income.

2. Turmeric Farmers in Nizamabad

Nizamabad, known for its turmeric production, struggled with seasonal price fluctuations. In 2020, a group of progressive turmeric farmers in the district started using e-NAM, selling their produce in far-flung states like Rajasthan. This helped them escape the low prices prevalent in local mandis. As a result, many farmers in the district have experienced a significant rise in income, especially during the post-harvest period.

3. Chilli farmers in Mahabubabad

Sri B. Srinu, a farmer from Pedda Thanda, has cultivated chillies on his 5 acres for 25 years. On February 7, 2024, he sold 48 quintals of chillies at the Mahabubabad APMC via e-NAM, achieving a price of Rs. 22,500 per quintal. Previously facing delays in the mandi, sales are now completed the same day with e-NAM. Regular awareness programs have helped farmers improve produce quality, enabling them to secure better prices, and they appreciate the support from the e-NAM platform.



THE FUTURE OF e-NAM IN TELANGANA

The future of e-NAM in Telangana looks promising but depends on several factors. Increased digital penetration, greater farmer awareness, and expanding the platform to include more commodities will be crucial in driving its success. There is also potential to integrate e-NAM with global markets, giving Telangana's farmers access to international buyers and further enhancing their income potential.

CONCLUSION: A PATHWAY TO PROSPERITY

e-NAM has proven to be a game changer for Telangana's agricultural sector. By enabling better price discovery, reducing dependency on middlemen, and providing access to larger markets, the platform has significantly boosted farmers' incomes. However, to fully realize its potential, continuous efforts must be made to address the challenges related to digital literacy, infrastructure, and awareness. As more farmers come onboard, e-NAM could become the backbone of Telangana's agricultural future, leading to sustainable growth and prosperity for the state's farming communities.