

Agri-Marketing through Digital Platform

Manisha

School of Agribusiness and Rural Management,

Dr. Rajendra Prasad Central Agricultural University

Corresponding author: manishasingh24668@gmail.com

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Introduction

“Positive Change is the need of the hour”. India is an agriculture dominant country. Using resources optimally in order to conserve for future generation has always been our primary goal. In order to meet this need time-to-time reforms are made in every sector and so is the Agri-marketing sector. Both Central and State government implement their strategies to improve the marketing channel thus benefitting both farmers and traders mutually. With an aim to enhance the market efficiency and improving transparency by reducing the role of intermediaries on April 2016 electronic National Agriculture Market (e-NAM) was launched. eNAM is a relevant platform inspired by the success of Rashtriya e-Market Services Limited (ReMS) in Karnataka. This technology enabled trading system at all regulated markets aims to integrate APMC (mandis) and other secondary markets at regional, state, and national level. The pitfalls of APMC act and multi-licensing system which caused stress to the producers, thus, losing price benefit from different places. In order to prevent this Indian Central Government came out with the unified market system National Agriculture Market (Nair and Mehta, 2020).

National Agriculture Market (eNAM) is an online trading platform for agricultural commodities in India. With the aim of one nation one market eNAM was launched on April 14, 2016 as a pan-India trading platform that connects APMCs across all states. It facilitates farmers, traders, and buyers with online trading in commodities. It networks all the existing APMCs or RMCs market yard, sub market yards, private markets and other unregulated market to unify all the nationwide agricultural market by creating online trading platform. It is completely funded by the Central Government and implemented by the small farmers agribusiness consortium (SFAC).

Small farmers agribusiness consortium (SFAC) is an exclusive society focused on increasing incomes of small and marginal farmers through aggregation and agribusiness development. It promotes development of small agribusiness through its venture capital

Assistance Scheme (VCA) for value added processing and marketing linkage. Being an implementing agency for eNAM the purpose is to provide for a single unified market for agricultural products with much higher price discovery for farmers (Chaudhary and Suri, 2020).

Pre-requisite for eNAM:

There are three basic criteria for a state to propose mandis for linking to eNAM. This includes:

- The state APMC act must have a specific provision for e-auction/electronic trading as mode of price discovery.
- There must be one single trading license to be valid across the state/UTs.
- A single point levy of market fee across the state/UTs.

Trading on eNAM:

On the very launch day April 16, 2016 as a major step program covers 23 commodities and 21 markets across 8 states. With the successful completion of 4 years, the eNAM has touched milestones of connecting 1000 mandis. The government of India recently added 38 mandis to achieve its target (Nalini and Dhayalan, 2020).

Now over 90 commodities including staple food grains, vegetables, and fruits are currently listed in its list of commodities available for trade. The farmers need to upload details of his produce and a photo of the harvest on the platform. It is actually provided for evaluation and grading of produce. Currently 25 cereals, 13 oilseeds, 29 fruits, 40 vegetables, 14 spices and 29 miscellaneous commodities are traded on eNAM.

Stakeholders and their benefits:

Farmers, Traders, APMCs, FPOs, and Mandi board are its stakeholders. The benefits to each stakeholder include (Arcot and Rao, 2019):

Benefits from eNAM for a Seller/ Farmer are:

- Transparency in Trade through better price discovery
- Access to more markets & buyers
- Real time information on prices and arrival in nearby mandis
- Quick payments - will be able to build a healthy financial profile

Benefits from eNAM for Buyers/ Traders are as follows:

- Extended reach to other mandis, hence access to more sellers
- Access to a larger and integrated markets
- Access to real time information on arrival, quality and price of commodities
- Ease of doing business through Mobile-App
- Access to online banking and payments

Benefits from eNAM for an APMC are:

- Free Software for System integration/ Automation of recording transactions
- Complete information on trade
- Real time arrival recording
- Analyse price trends, arrival and trading activities
- Automated record of financial information
- Reduction in man-power requirement

FPOs benefit:

- FPOs/ FPCs can act as an aggregator for its member and sell through e-trading as one/ multiple lot depending upon requirement.
- Payment will be done directly to the FPO/ FPCs bank account. In turn FPO/ FPCs can distribute among members.
- Union budget 2017-18 made provision to install collection/ sorting/ grading/ packing facilities at their premises.
- Provision for personalized dashboard and real time information on arrival, quality and price of commodities.

Mandi board:

- System integration/ Automation of recording transactions
- Total/ full-fledged information on Trade and Farmers
- Would be able to analyse Price Trends, Arrivals and Trading activities
- Automated record of financial information

Integration of eNAM with APMC steps includes (Tagat and Tagat, 2016):

- Preparation of DPR prescribed in the guidelines.
- Submission of DPR to PAC
- Scrutiny of DPR by PAC with the assistance of SFAC & DMI
- After DPR approval, sanction & release of grant-in-aid to state.
- Setting up e-auction hall, QA labs, IT hardware & related infrastructure, etc
- Installation of e-NAM and integration with related software
- Training to market committee staff & awareness to farmers about e-NAM
- Encourage e-Trade & provide warehouse-based sales provisions
- Regular monitoring and provision of DRM for handling disputes

Way forward:

Marketing reforms is a challenging task. Paradigm shift of the farmers towards technology friendly platform from traditional process is increasing day-by-day. Digitalization with ICT and block chain will definitely boost agribusiness sector. Pilot program e-Nam has the gained the confidence of all the stakeholders through its transparent transactions and improvement in supply chain. In pandemic condition like COVID 19, technology friendly online trading platform is blessing for all. No doubt these technologies will help farmers become self- reliant and boost rural economy of our country.

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