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Digital Revolution in Agriculture: Exploring e-NAM and Its Present Scenario

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Abstract:

The 'Electronic National Agriculture Market' (e-NAM) has indeed been a significant government initiative aimed at modernizing agricultural trade in India. Initially it was launched in April 2016 by taking 21 pilot mandis covering only 8 states and 24 commodities. e-NAM has evolved into a nationwide platform encompassing a vast network of agricultural markets. Its primary objective is to integrate various agricultural markets, including APMCs/RMCs, unregulated markets, and private markets, into a unified electronic platform. By providing farmers and traders with online access to market their produce, e-NAM aims to enhance transparency, efficiency, and competitiveness in agricultural trade. As of December 2023, the value of commodities traded through e-NAM had reached an impressive 3 lakh crores, setting a record for the platform. Moreover, e-NAM has expanded its reach to cover over 1.77 crores farmers and 1389 mandis across the nation, further amplifying its impact on the agricultural sector.

Introduction and History of e-NAM:

'Electronic National Agriculture Market' or e-NAM is an online trading platform through which agricultural commodities are traded all over India. The scheme e-NAM is a pan-India electronic trading portal, launched on 14th April, 2016 under Digital India flagship programme. It is a 100% centrally sponsored scheme, working under the Ministry of Agriculture and Farmers' Welfare.

The Union government introduced the Model Agricultural Produce Marketing Committee (APMC) Act of 2003, which promoted the inclusion of private markets, direct market access, and contract farming within the APMC framework and encouraged the states to enact reforms such as eliminating licensing requirements, stock limits, and movement restrictions. A more transparent and inclusive agricultural marketing system is also encouraged by these advanced market reforms,

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and in 2017 the Model Agricultural Produce and Livestock Marketing (Promotion and Facilitating) Act (APLM Act) was established. The APLM Act of 2017 placed a strong emphasis on the promotion of electronic markets, enabling participation in electronic auction platforms from anywhere in the country and facilitating transactions in local markets (Reddy, 2024).

The main implementing agency of e-NAM scheme is Small Farmers Agribusiness Consortium (SFAC) with its strategic partner of Nagarjuna Fertilizer Corporation Limited (NFCL) (Singh & Alagawadi, 2021a). The major stakeholders of the scheme are farmers, traders, APMCs, mandi board, FPOs. Department of Agriculture, Co-operation and Farmers' Welfare (DAC&FW) is providing budgetary support of up to Rs. 75 lakhs to every registered mandi under the scheme from 2022-23.

Objectives of e-NAM:

The primary objective of e-NAM is to develop a common national electronic market platform for agricultural commodities by leveraging technology. By streamlining the marketing process, e-NAM aims to enhance transparency, efficiency, and competitiveness in agricultural trade, ultimately benefiting farmers and consumers alike (Singh & Alagawadi, 2021b).

Other objectives of the scheme are to facilitate online trading of agricultural commodities, to promote better marketing opportunities for the stakeholders of the scheme, to provide more access to the markets to the farmers and traders and to establish quality assaying and grading facilities in every regulated market.

Features of e-NAM:

Electronic National Agriculture Market scheme has some distinguishing features in it (Kamalkar *et al.*, 2019):

- i. National e-market platform provides a digital market platform for transparent sale transactions and price discovery in various markets including regulated markets, Kisan mandis, warehouses, and private markets. States are encouraged to update their APMC Act to allow for e-trading.
- ii. Traders, buyers, and commission agents can obtain licenses from the state authorities without having a shop/premise in the market yard.
- iii. A single license for traders that is valid across all markets within the state, simplifying the licensing process and reducing administrative burden.
- iv. Standardizing quality standards for agricultural produce and establishing assaying and grading infrastructure in every APMC market is crucial for

ensuring fair transactions and empowering buyers to make informed decisions.

- v. The e-NAM mobile app is present in the Android for farmers and traders to bid and complete an online transaction through this app and the app is available in 8 languages.

Current Status of the Scheme:

Initially Government of India started this scheme in 21 pilot mandis across 8 states in 24 commodities in April, 2016. Gradually the number of registered mandis under this scheme has been increased over the years and on 31st March, 2018 total 585 mandis joined the scheme across 16 states and 2 UTs with 124 commodities traded through e-NAM; in May, 2020 there were 1000 registered mandis across 18 states and 3UTs with 193 commodities traded. At present the total number of registered mandis under this scheme is 1389 across 23 states and 4 UTs.

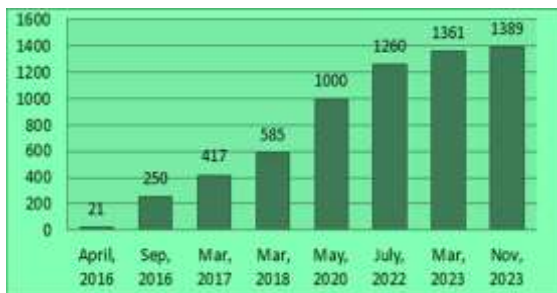


Fig 1: No of APMC markets integrated with e-NAM over the years
(Source: <https://enam.gov.in/>)

At present through e-NAM portal total 219 commodities are traded among which 35

cereals and food grains, 14 oil seeds, 45 fruits, 59 vegetables, 16 spices and 50 miscellaneous commodities.

Growth of the trade value through e-NAM portal:

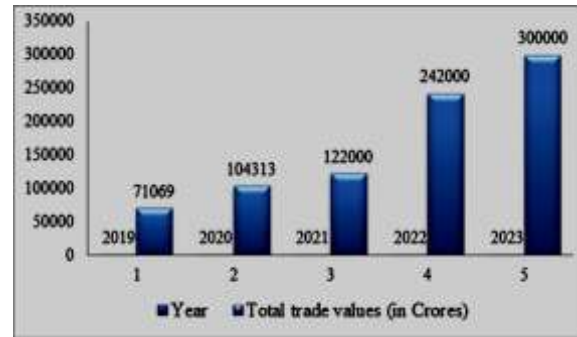


Fig 2: Amount of trade values through e-NAM over 5 years
(Source: PIB Reports)

Over the years the trading of farm commodities through the electronic platform is increasing. In the year 2019 the total trade value through e-NAM platform was nearly Rs. 71000 crores which is being increased over the years and on 3rd November, 2023 the trade value has touched a record amount of Rs. 3 lakh crores.

Conclusions:

The scheme e-NAM is still in its early stages, its potential for growth and impact on farmers is promising. As it evolves and expands its reach, e-NAM has the potential to significantly strengthen the agricultural marketing sector in India. Farmers can get more access to market which is enabling them to receive fair prices for their produce; e-NAM can contribute to a substantial increase in

farmer income. This landmark initiative reflects a commitment to leveraging technology for the betterment of the agricultural sector, and its continued development holds great potential for driving positive change in the lives of farmers across the country. Initially the scheme didn't experience so much growth due to various reasons, but with the progress of time the e-NAM platform has gained recognition and the trade value and volume through this platform have also been increased. In future e-NAM scheme holds huge potential, provided that the policymakers address the issues for its slow progress and make the necessary changes in it for its greater acceptability and wider coverage.

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