



eNAM: A REFORMATIVE VISION FOR MARKETING OF AGRICULTURAL PRODUCE IN INDIA

Vishnu Kant Verma¹ Dr. Keshav Tekam²

“I firmly believe that now my farmers would decide where, when and at what price their produce will be sold.”

Prime Minister Shri Narendra Modi

ABSTRACT

Electronic National Agriculture Market (**eNAM**) has completed six years of its inception. It has been initiated on 14 April 2016 to address and reform the process of fragmentation of markets. The electronic trading portal e-NAM is an online inter-connectivity of e-mandis that aims at marshalling the mass necessary agriculture promoting changes to allow agriculturalists to obtain better cost for their yield and use innovative technology for changing the structure of farming promotion. eNAM portal network extends a single-window service for all agricultural produce marketing committees (**APMCs**) related information and services with the capability to change Indian farming from conventional to an business oriented as well as profit-making operation. It is completely funded by the central government. State-wise 1000 APMCs integrated with the electronic national agricultural market in the country as on 15 may 2020¹.

Main objective of study to improvement in the functioning of **APMC** with the introduction of **eNAM** under the agriculture marketing, this research is relied upon the secondary data sources that have been gathered from the latest research articles, working papers and annual reports. The study captured various aspects of the implementation of eNAM and decides that e-market carry a facilitative role to increase participation, competition, transparent system of bidding, remove collusion and monopsony among traders that may result in increased market accessibility and income to Indian farmers. The usefulness of eNAM has been evinced the registration of around 1,73,57,096 farmers, 1,05,531 commission agents and nearly 2,29,449 Traders on the eNAM plan from 18 states and 3 union territories by July 2022².

Keywords; eNAM, Agriculture Marketing, APMC, APLM Act, Mandi, Farmers, Traders.

¹ **Research Scholar**, Department of Economics, Dr. Harisingh Gour Vishwavidyalaya, Sagar, M.P.

² **Assistant Professor**, Department of Economics, Dr. Harisingh Gour Vishwavidyalaya, Sagar, M.P.



INTRODUCTION

Indian Agrarian trades have been distinguished by less aggressiveness, fragmentation, unsuccessful, existence of too much intermediary and often cost exploitations. Agricultural marketing in India has evolved from meeting domestic needs, which currently focuses on achieving interaction and trading between the different states for distribution of produce from farms to consumers. Arising fluctuations in agriculture promoting circumstance of this nation i.e., digital trade, model act, contract farming, etc., were assisting in chances for fresh formats of trades that were successful in reacting to demand and supply. Those modifications will need funding in infrastructure, extract of technology, building knowledge, and potential building. Hence, the Ministry of Agriculture and Farmer's Welfare created efforts to maintain the regulatory structure through suggesting the Model APMC Act, 2003 and Model State/UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017. Lately, the digital marketing gateway for domestic agrarian trade (*eNAM*) was launched through an effort to utilize recent technology for changing the method of Mandi/APMC from the maintenance of trade transform³.

The *eNAM* is an online marketing gateway where networks the prevailing APMC mandis all over nation to prepare an integrated domestic trade for farming goods. The Small Farmers' Agri-business Consortium (SFAC) as the leading implementing organization to operate and maintain the *e-NAM* platform. The *eNAM* system was first launched in India with an initial coverage of 21 mandis around 8 states and allowing marketing in 24 goods on a pilot basis⁴. Since then the number of mandis integrated with *eNAM* has increased to 470 by October 2017 and 585 mandis across sixteen states and two union territory are covered by 31 march 2018 and in the second phase during covid 19 time another 415 wholesale mandis located in 21 states are integrated with *eNAM* platform. The particular application evolved for *NAM* was obtainable in every mandi that accepts to bind with domestic network without price through required alterations to follow the proclamations of every state mandi act. As on march 2022, around 1.73 crore farmers, 1,03,156 commission agents, and 2,21,191 traders have been joined on the *eNAM* program in 18 states and 3 union territory⁵

eNAM program aims to encourage agriculturalists in obtaining good trade access, discover number of buyers/traders for their yield as well as gain a larger profit. Agriculturalists could access the detail on *eNAM* simply by their hand phone from every place. The digital marketing program focuses at decreasing exchange expenses, bridging information asymmetry and assists in elaborating the trade access for agriculturists.



REVIEW OF LITERATURE

Reddy, A. A. (2018)⁶ pointed out that e-markets help to increase competition, eliminate collusion among traders which results in increased farmer's price and market arrivals. E-markets facilitate competitive bidding and same-day payments to farmers. Biggest hurdle in the implementation of *eNAM* is aligning interest of all stakeholders. But they concluded that the success of e-markets will satisfy the conflicting interests of all participants including farmers, commission agents and traders.

Yadav and Sharma (2017)⁷ have observed that *eNAM* is a digital inter-connectivity that focused in assembling the needs of farm trading transform for allowing agriculturalists for obtain a better cost of their yield. They have also suggested that the decision of creating *eNAM* program for agriculturalists can eliminate inter-state obstacles in transferring agricultural yield as well as could be a game-changer. Finally that *eNAM* becomes completely functional all over the nation along with the parallel objective of 'One Nation One Market' for farm yield can turn into a real life in the near future.

Chand, R. (2016)⁸ has pointed out that *eNAM* improved aggressiveness in the agriculture trade during higher involvement of purchasers, also a large transparent system of bidding. He suggested that *eNAM* fulfills advantage in connecting farming trades in the nation also including digital platforms with a single trading license around the nation as well as a agriculturalist obtains the choice to trade his good in every place of the nation.

Rathore, R., & Panda, S. (2018)⁹ have observed that agricultural marketing plays important role in moving products from producer to consumer, Moreover, agriculture marketing also facilitates contract farming and encourages public-private partnerships in the marketing yard. Likewise, agriculture marketing reform and integration of the APMCs will come with a major reform in agriculture marketing. State-wise 498 mandis integrated with the electronic national agriculture market.

NIAM (2019)¹⁰ The study stated that the sensitization techniques used by the employees engaged in the promotion of National Agricultural Market Scheme (*eNAM*) are inappropriate and found that more than 50% of the farmers are unaware of the National Agricultural Market Platform. Hence the study recommends facilitating various sensitization methods to various functionaries for implementation and implementation of sensitization



programs for better connectivity of producers and buyers under this trading platform so as to increase the reach of *eNAM* for farmers.

Above reviews clarifies that there have been previous studies on the working of *eNAM* system integrated with APMCs. But it is found that, a special study was not attempted on improvement the functioning of APMC with *eNAM* marketing system. With this background, the present study is an attempt to fill the research gap in this area. The outcome of the study will help in redesigning agricultural marketing with *eNAM* system which will provide a new platform for farmers and traders. Therefore researcher chose to study the improvement in the functioning of APMCs with the introduction of *eNAM* as a research objective.

OBJECTIVE

- To study the improvement in the functioning of APMC with the introduction of *eNAM*

METHODOLOGY

The research relies on country, state and district level secondary data collected from articles, various published research papers, websites and annual reports on agricultural marketing and other available sources on electronic national agricultural marketing. Methods like average and percentage have been used after collecting, classifying and tabulating the data with the help of Microsoft word and excel.

POLICY REFORMS IN APMCs SYSTEM UNDER AGRICULTURAL MARKETING

The Government of India have initiated a several reform measures related with agriculture marketing that are likely to have wide-ranging positive impacts on farmer's income. The Government emphasizes first to carry out reform in the agriculture market by designing Agriculture Produce Marketing Committee Act, 2003. Some reforms may be outlined as under:

APMC Act, 2003: After realizing the negative-effects on farmers under regulated markets during 1990s, the government formulated model Agriculture Produce Marketing Committee (APMC) Act, 2003, which provided new market channels, eviction of licensing requirements, storage facilities, provision of direct marketing¹¹.

APLM Act, 2017: In continuation of market reforms after implementation APLM Act, 2017, APMC considered as the agricultural produce & livestock market committee. The Model Agricultural Produce And Livestock Marketing Act, 2017 provide reforms that includes putting up trades in private business, direct marketing, farmer-consumer markets, de-regulation of



fruits and vegetables, e-trading, single-point levy of market fee, issue of unified single trading license in the state, declaring warehouses as market yards help farmers to vend their produce for better prices¹².

In continuation of market reforms, SFAC implemented eNAM under the APLM Model Act, 2017 an effort to utilize recent technology and provision for new initiatives for modifying the method of Mandi/APMC. It covers, combining all the available APMCs in the nation to make a unified digital trade for agriculture yield¹³.

ELECTRONIC NATIONAL AGRICULTURE MARKET: AN OVERVIEW

eNAM started as an integrated digital marketing gateway platform, which was launched on April 14, 2016 on the day of Ambedkar Jayanti. This Gateway Platform is being executed by the SFAC and is fully funded by the Union Government. eNAM gateway available APMCs trade place, private trades, and other unauthorized trades to merge all the nationwide farming trades by making a central digital program for agrarian goods cost finding. It aims at¹⁴:

- Ensuring that agriculturalists obtains a better cost for their yield and more choice Concerning who to sell it,
- Eliminating the monopoly of negotiator in the process,
- Improve transparency,
- To bring equality in prices and
- Increase in farmer's income.

WHY eNAM IS NEEDED?

eNAM is essential to provide a general uniform trade for farming goods. Present APMC authorized markets restrict the reach of marketing from agriculture products in the initial point of trade at the domestic mandi, typically at the level of tahsil, district. Till here one state isn't a merged agrarian trade as there were exchange prices on transferring yield in one trade place to other within the identical state. Many permits were required to exchange at several trade places from the same state. This has resulted in a very fragmented and high-price agrarian financial that stops economies of scale as well as combined motion of Agri products around district and state boundaries. eNAM attempts to describe and transform this practice of fragmentation of trades, finally diminishing middlemen expenses, wastage and costs for the ultimate consumer. This creates on the potency of their domestic mandi, also lets it suggest its yield in the domestic level.



OBJECTIVES OF eNAM

eNAM is a common online market platform through which markets are integrated first at the state level and eventually across the country to facilitate marketing in agriculture. Which has the main objectives¹⁵ -

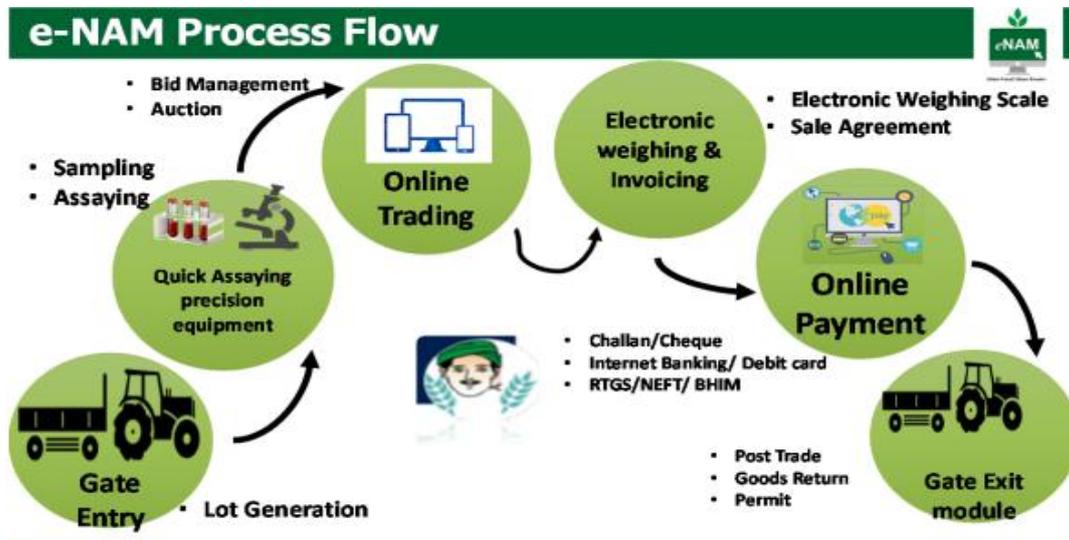
- To streamline the marketing processes of agricultural produce and to provide them a common function in all the agricultural markets of the country and the state. So that the activities of agricultural markets across the country can be promoted in an efficient manner.
- Extending online access to more markets, thereby creating optimum marketing opportunities for farmers, Correct marketing related information can be spread among farmers and traders, Better price discovery based on actual demand and supply of agricultural products at the right time, Transparency in the auction process and correct fixation of prices according to the quality of the produce as well as online payment etc.
- To promote availability of stable prices and quality of agricultural produce to the consumers.

PROCESS FLOW OF ELECTRONIC NATIONAL AGRICULTURE MARKET

In the **eNAM market process**, all related activities starting from gate-entry receipt to assaying-online trading-weighment-invoicing- online payment and final gate exit are involved. eNAM is a digital marketing platform to networking all the available mandis (Agriculture Produce Market Committees) across the country together on a single online platform to create a unified domestic market for marketing of agricultural produces. Mandis manage large quantities of agrarian yield. eNAM offers fast standard assessing results to advertise digital marketing¹⁶.

This platform promotes uniformity in the market and removes information asymmetry between farmers and buyers in streamlining the marketing of the product in integrated markets. Apart from this, it also promotes transparency in the action process. This will enable the farmer to get the price based on the quality of his produce and soon the online payment will be done, along with this, access to a nationwide market will increase with the availability of better quality product at a reasonable price for the consumer through eNAM. Figure 1 depicts the process of the electronic national agriculture market (eNAM).

FIGURE 1: Process Flow Diagram of e-NAM

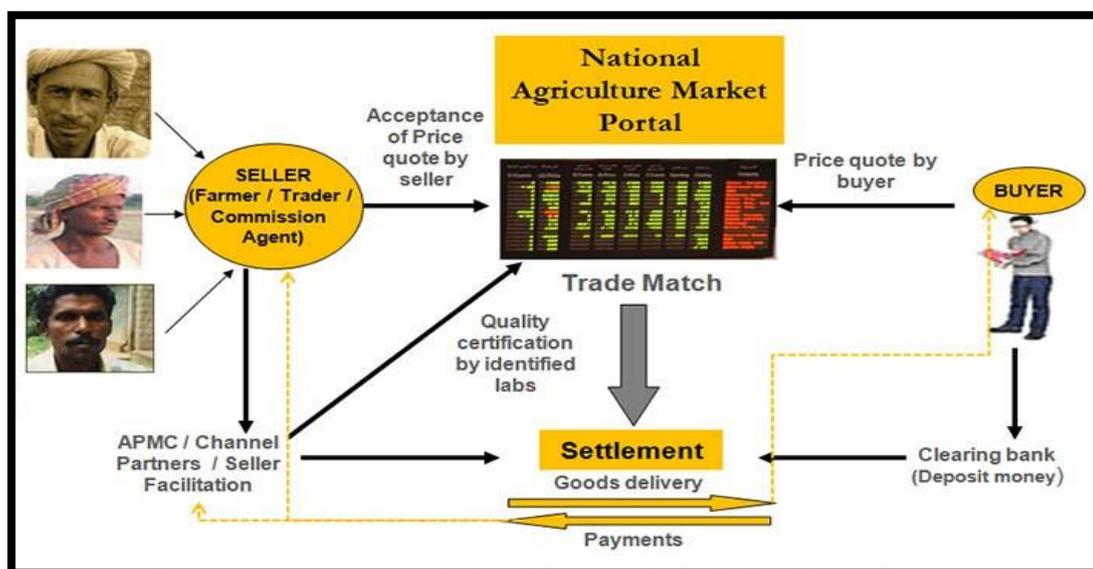


Source: <https://enam.gov.in>

WORKING MODEL

eNAM attempts to connect the available physical authorized wholesale trade (called the APMCs) over a online program to construct a integrated domestic trade for agrarian produces. This also encourages successful trading chances for the agriculturalists to vend their yield via a digital rivalry and clear cost finding methods and digital payment facilities. This also encourages costs congruous with the standard of yield.

FIGURE 2: e-National Agriculture Market: Working Model



Source: <https://enam.gov.in>



It explores to make an integrated domestic trade for farming goods through combining 1000 authorized trade places (APMC) through a general e-market stage eNAM. Farmers can be able to obtain a best cost of their yield over electronic national agriculture market.

MARKET INTEGRATION TO eNAM

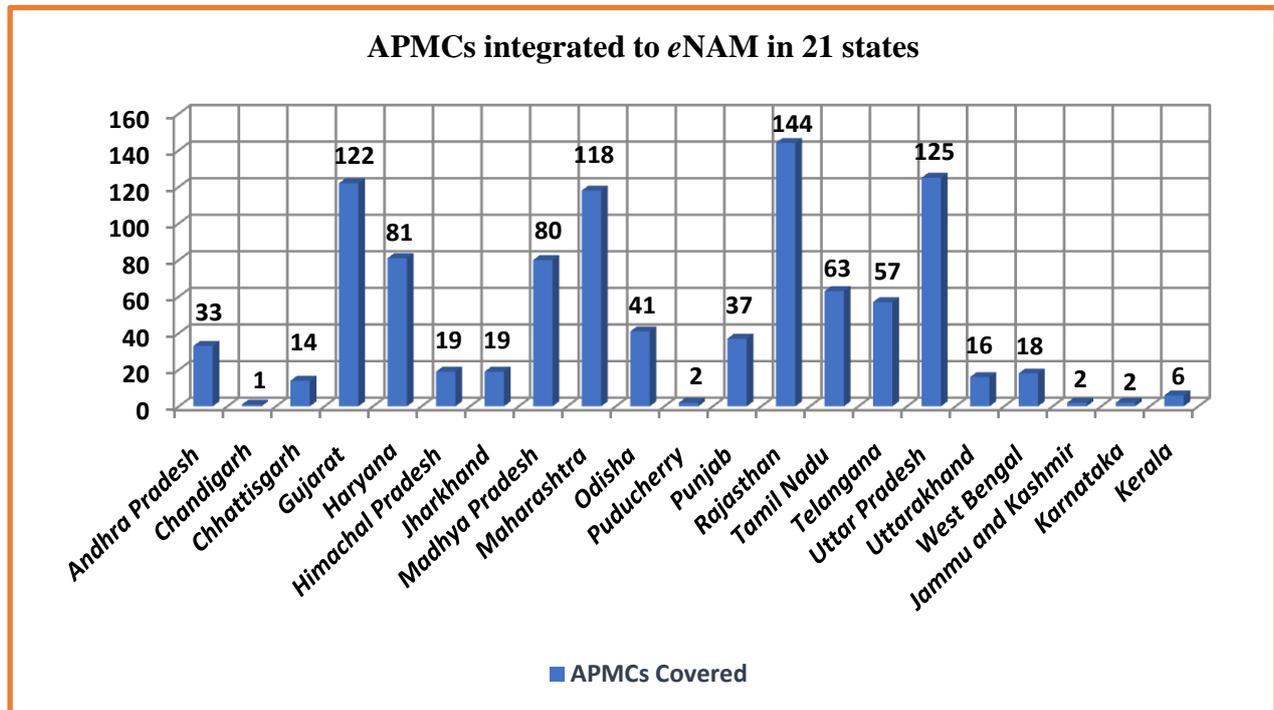
eNAM focuses fulfill through an adequate permitting method for purchasers with no any prerequisites of holding a physical existence in the wholesale yard, a one permit being easy for marketing in the country, and a single levy of tax charge for the initial wholesale buying from the producer. eNAM integration aims reducing transaction costs, grow up market infrastructure, value addition and enabling market access for farmers,

TABLE 1: State Wise List of Rural Primary, Regulated Markets and those integrated under eNAM in 21 States (as on 15th May 2020)

| S.No. | States/UTs | Rural Primary Retail Markets | Regulated Markets | Number of Integrated APMCs |
|-------|-------------------|------------------------------|-------------------|----------------------------|
| 1 | Andhra Pradesh | 157 | 347 | 33 |
| 2 | Chandigarh | 0 | 01 | 01 |
| 3 | Chhattisgarh | 1132 | 187 | 14 |
| 4 | Gujarat | 129 | 400 | 122 |
| 5 | Haryana | 195 | 281 | 81 |
| 6 | Himachal Pradesh | 35 | 54 | 19 |
| 7 | Jharkhand | 602 | 201 | 19 |
| 8 | Madhya Pradesh | 00 | 538 | 80 |
| 9 | Maharashtra | 3500 | 908 | 118 |
| 10 | Odisha | 1150 | 436 | 41 |
| 11 | Puducherry | 00 | 09 | 02 |
| 12 | Punjab | 1390 | 424 | 37 |
| 13 | Rajasthan | 312 | 446 | 144 |
| 14 | Tamil Nadu | 00 | 283 | 63 |
| 15 | Telangana | 110 | 260 | 57 |
| 16 | Uttar Pradesh | 3464 | 615 | 125 |
| 17 | Uttarakhand | 30 | 58 | 16 |
| 18 | West Bengal | 3250 | 484 | 18 |
| 19 | Jammu and Kashmir | 8 | 11 | 02 |
| 20 | Karnataka | 730 | 513 | 02 |
| 21 | Kerala | 1014 | 0 | 06 |
| | Total | 17,208 | 6,453 | 1,000 |

Source: <https://www.ccsniam.gov.in/images/pdfs/Benefit-of-eNAM-process-to-Farmer-A-Study.pdf>, National Bank for Agriculture and Rural Development (NABARD) Department of Economic analysis and research 2018.

EXHIBIT 1: Integrated Mandis with eNAM in India



Source: Authors own using excel

The above table shows all integrated agriculture markets with the help of the histogram graph below (Exhibit 1). Looking at the data related to integrated mandis to eNAM in India. The above Table 1 show state-wise details of 1000 wholesale authorized trade/agriculture produce market committee (APMC) was so far merged with e-market (eNAM) program in 18 states and 3 union territories (UTs). The highest numbers of mandis were linked with eNAM in Rajasthan (144). Which done necessary transforms in their state agrarian yield marketing committee act. After the integration of 1000 APMCs with an eNAM platform is an ongoing process¹⁷.

PROGRESS OF eNAM SYSTEM

As on 15th May 2020, the e-NAM has integrated 1000 markets of 18 states and 3 union territories to the eNAM platform. Means trading has been currently taking place on the electronic network in 1000 mandis and has eased to discover price in real-time in a transparent manner¹⁸. eNAM coverage given below in table 2.

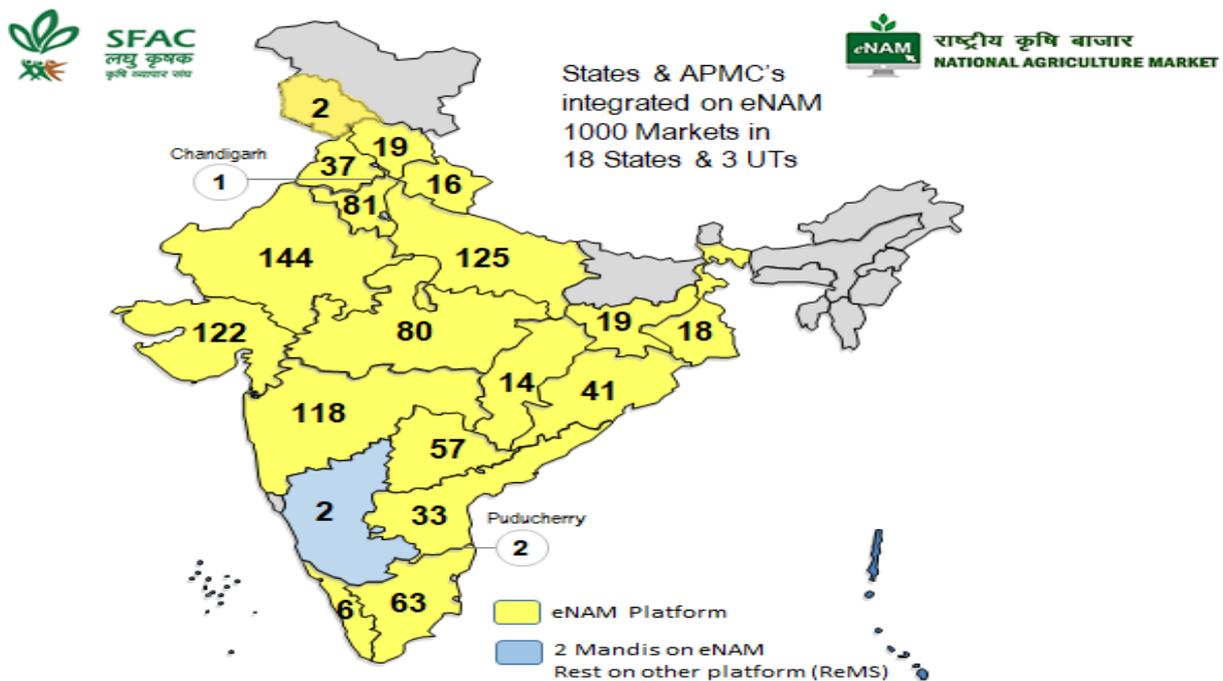
TABLE 2: Electronic National Agriculture Market Coverage up to 31st March 2022

| | |
|---|--|
| 18 States 3 Union Territory 1000 Mandis The agricultural produce trade with a value of Rs 1.82 lakh crore has so far been recorded on e-NAM platform. | 175 Commodities (Food Grains/ Cereals 26, Vegetables 50, Oil seeds 14, Spices 16, Fruits 31 and Other Commodities/MISC 38) Total Quantity Traded- 4.31 Crore Million Tones (as on 31 st march 2021) |
| <i>Number of Registered Users</i> | |
| Farmers | 1,73,05,313 |
| Traders | 2,21,191 |

Source: <https://enam.gov.in>

Now, after the integration of additional 415 mandis with eNAM, taking the total number of mandis to 1000 across 18 states and 3 UTs (as on 15 May 2020), thus bringing more markets access to farmers to sell their agriculture produce, As per the current data 175 commodities consisting staple foodgrains/cereals, vegetables, oilseeds, spices, fruits, and other commodities were in its catalogue of goods obtainable for market under a platform¹⁹.

MAP 1: eNAM Coverage



Source: <https://enam.gov.in>

Trading performance under eNAM platform in the country (2016-2017 to 2019-2020)

Now look at the market performance of eNAM in terms of volume and value of all types of commodities traded under the eNAM platform to understand the acceptance and success of eNAM-

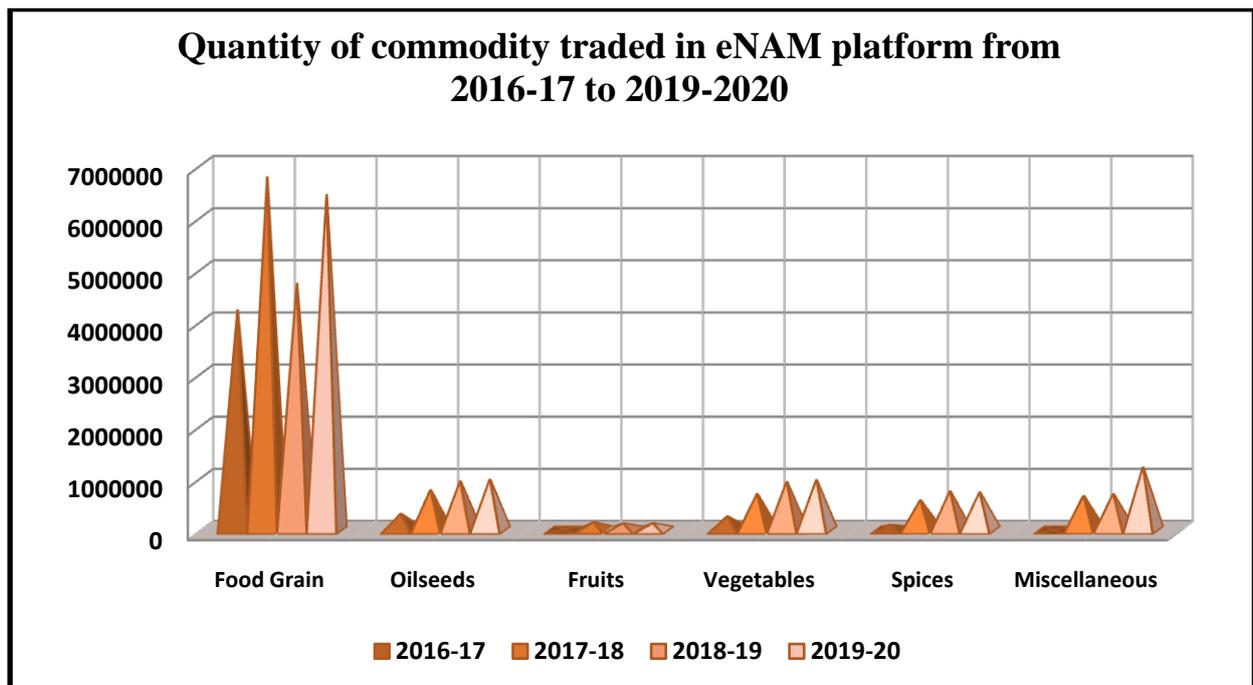
TABLE 3: Quantity of commodity traded in eNAM platform from 2016-17 to 2019-2020.

Quantity: *Metric*

| <i>Tons</i> | | | | | | |
|-------------|-------------|--------------|--------------|--------------|--------------|---------------|
| Year | Food Grain | Oilseeds | Fruits | Vegetables | Spices | Miscellaneous |
| 2016-17 | 4247151.72 | 326332.80 | 36008.73 | 274885.19 | 111472.16 | 5576.73 |
| 2017-18 | 6797886.89 | 787654.52 | 161714.88 | 713327.10 | 590019.81 | 674156.04 |
| 2018-19 | 4754556.4 | 958727.75 | 137674.81 | 944103.63 | 763995.30 | 711643.93 |
| 2019-20 | 6453645.99 | 991645.07 | 141366.57 | 981917.94 | 743672.09 | 1227013.01 |
| CAGR (%) | 9.40 | 42.35 | 48.32 | 50.70 | 81.34 | 40.10 |

Source: <https://www.ccsniam.gov.in/images/pdfs/Benefit-of-eNAM-process-to-Farmer-A-Study.pdf>

EXHIBIT 2: Quantity of commodity traded in eNAM platform from 2016-17 to 2019-2020.



Source: Authors own using excel



Table 3 and Exhibit 2 shows the volume of commodities traded under different produce classification through the eNAM platform from the year 2016-17 to the year 2019-20 and the compound annual growth rate of the same.

It is shown in the tables that annual compound growth rate (CAGR) of market quantity of food grains, Oilseeds, Fruits, Vegetables, Spices and Miscellaneous is 9.40percent, 42.35percent 48.32percent, 50.70percent, 81.34percent and 40.10percent respectively which pointed that compound growth rate of all commodities trade in eNAM platform, is showing assimilative higher positive growth in terms of quality with eNAM platform.

The overall analysis shows that, eNAM through online trading is proving to be a milestone in transforming the old system of trading into modern marketing. Continuous efforts are being made by the government in the development of digital platforms across the country; transparency in agricultural produce marketing and a system like eNAM for digital operation and have provided a new path to the farmers with which the agricultural trade is witnessing positive growth since last few years²⁰.

CHALLENGES

Several reward challenges have been recognized by the researchers and experts. At the mandi related to eNAM such as physical and technical support, power supply, connectivity, testing of quality standards, working environment and lack of information awareness etc. in this order some of the major challenges are as follows²¹.

- Although few agriculturalists have them to mandis, their produce could be unimportant to motivate far away purchasers bidding digitally. In this way, the expectation for good cost discovery is quite fragmental,
- Even if the structure form looks easy, but it cannot be as easy as estimated for farmers. Because many agriculturalists has a tradition of trading their produce to a domestic product aggregator then having their goods to the mandis,
- Quality disparity in goods at both the state and national level demeanor a challenge, and
- Electronic programs such as eNAM can be the correct stage for market leveled of produce but for the rest, not sure it can happen.



CONCLUSION

The above discussion proves the contention that *eNAM* has improved competitiveness through abundant involvement of purchasers as well as clear method of bidding in the trade place. *eNAM* make possible uniformity of practices athwart the combined trades and eliminates asymmetry information amongst farmers and purchasers. Heavy and large marketers get a chance to immediately take part in APMCs and for domestic marketers; *eNAM* has also provided a chance to utilize the National Market which has reduced the intermediation charge. It has also promoted right time cost finding depends upon real demand and supply. Agriculture marketing reform and integration of the APMCs through *eNAM* platform is an effort to used recent technology for modifying the method of mandis all over India with a single license of trade which is acceptable around the nation. Agriculturalist obtains the choice to trade their yield in every marketplace of the nation, provides access to a countrywide market for the farmers. so *eNAM* became entirely operational everywhere in the nation and the definitive aim of ‘One Nation One Market’ for agrarian yield becomes a real life. This clearly implies that the monopoly of the APMCs continues unabated with integrated 1000 mandis in 21 states/UTs to an online platform. Overall the *eNAM* portal is very efficacious in which easily agriculture market benefited to Indian farmers and traders but it should not be recognize as panacea for all imperfection in the agriculture market.

Thus it can be said that *eNAM* is a comprehensive and revolutionary schemes launched by the central government that benefited farmers to marketing of agricultural produce. It is expected that this scheme promotes transparency in marketing of agricultural produce and provides best price for their produce. With the news of the further expansion of 1000 more mandis, we can scale the success of the scheme.

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