

AARHAT MULTIDISCIPLINARY INTERNATIONAL EDUCATION RESEARCH JOURNAL (AMIERJ)

A Peer Reviewed Multidisciplinary International Research Journal
SJIF Impact Factor : 6.236 ISSN : 2278-5655
Vol. VIII Special Issue -X, February 2019

PLIGHT OF INDIAN FARMERS: ISSUES AND CHALLENGES

**भारतीय शेतकऱ्यांच्या व्यथा वेदना, दशा :
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E-NAM : ONE NATION ONE MANDI

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Abstract: There are three marketing functions involved in agricultural marketing, i.e., assembling, preparation for consumption and distribution. Marketing of the perishable products is more difficult than its production. Problem of agricultural marketing is the reason of agrarian distress. This paper focusing on the innovative strategy implemented by the government which is based on use of technology for efficient marketing i.e. e-NAM and the threats before it.

Key words : Marketing, APMC, e-NAM

Introduction: India is an agricultural country and the significant thing is that countries one third population is depends on the agricultural sector directly or indirectly. Indian agriculture contribution to the national gross domestic product (GDP) is about 17.32 per cent. With food being the crowning need of mankind, much emphasis has been on commercializing agricultural production. For this reason, adequate production and even distribution of food has become a high priority global concern. Agricultural marketing is mainly the buying and selling of agricultural products. In earlier days when the village economy was more or less self-sufficient the marketing of agricultural products presented no difficulty as the farmer traded his produce to the consumer on a cash or barter basis. There are three marketing functions involved in agricultural marketing, i.e., assembling, preparation for consumption and distribution. Products are sold in various ways. For example, it might be sold at a weekly village market in the farmer's village or in a neighboring village. If these channels are not available, then produce might be sold at unevenly held markets in a nearby village or in the mandi.

Objectives :

1. To know the Indian agricultural marketing system
2. To study the e-NAM strategy of the Government.

Research Methodology : the approach of the paper is descriptive and exploratory. The information and data is collected from secondary sources.

Agriculture Marketing : In India, there are several central government organisations, who are involved in agricultural marketing like, Commission of Agricultural Costs and Prices, Food Corporation of India, Cotton Corporation of India, Jute Corporation of India, etc. There are also specialized marketing bodies for rubber, tea, coffee, tobacco, spices and vegetables. Agricultural marketing covers all the activities in the movement of agricultural products from the farms to the consumers. Agricultural marketing has important in field of agriculture and ultimately in the process of development because advanced agricultural practices resulted in the surplus production which changed the subsistence face of Indian agriculture. Approximately 33% of the output of food grains, pulses and nearly all of the productions of cash crops like cotton, sugarcane, oilseeds etc. are marketed as they remain surplus after meeting the consumption needs of the farmers. As agriculture sector produces raw materials for many of the other industries, marketing of such commercial products assumes significance. Increased efficiency of the marketing mechanisms would result in the distribution of products at lower prices to consumers having a direct bearing on national income. An improved marketing system will stimulate the growth in the number of agro-based industries mainly in the field of processing.

India has a tradition of agricultural production, marketing and allied commercial activities. With the changing agricultural scenario and global competition, there is a need of using new techniques of production as well as modern ways of marketing. After independence

some important steps taken by the government for the betterment of agricultural marketing system.

The government set up Central Warehousing Corporation in 1957 with the purpose of constructing and running godowns and warehouse. The States have set up corresponding State Warehousing Corporations. Also a network of rural godowns has been setup. The FCI has taken up construction of its own network of rural godowns. Grading and standardization has been facilitated by enacting Agricultural Produce (Grading and Standardization) act. Grading Standards have been laid down for nearly 180 agricultural and allied commodities. The graded goods are stamped with the seal of 'AGMARK'. Government has promoted cooperative marketing system by setting up of National Cooperative Development Corporation i.e. NCDL and NAFED. Some special boards have been set up for agricultural products like rice, pulses, jute, millets, cotton, oilseeds, tobacco, sugarcane etc. which have objectives of quality production and creation of well marketing system for concerned product. Steps were taken for the enhancement to export of agricultural commodities through incentives provided in successive Exim policies and setting up of Export Promotion Council as well as Agricultural and Processed Food Export Development Authority. Along with the above strategies the Centre has been allocating funds to assist States for the development of Agro Export Zones.

APMC: Under the Agricultural Produce Market Committee (APMC) Act, 2003, the Agricultural Produce Market Committee (APMC) is a statutory body constituted by state government in order to trade in agricultural or horticultural or livestock products. Functions of APMC are to promote public private partnership in the ambit of agricultural markets, provide market led extension services to farmer, to keep an eye on pricing system and transactions taking place in market in a transparent manner, ensure payments to the farmers for the sale of agricultural produce on the same day and to promote agricultural and specifically marketing activities. APMCs generally consist of representatives of farmers, traders, warehousing entities, registrar of cooperative societies etc.

e-Nam (Electronic- National Agriculture Market) :

APMC regulated market yards limit the scope of trading in agricultural produces at the first point of sale i.e. when farmers offer produce after the harvest in the local mandi, typically at the level of Taluka / Tahsil or at best the district. Even one State is not a unified agricultural market and there are transaction costs on moving produce from one market area to another within the same State. Multiple licences are necessary to trade in different market areas in the same State. All this has led to a highly fragmented and high-cost agricultural economy, which prevents economies of scale and seamless movement of agri goods across district and State borders. E- NAM seeks to address and reverse this process of fragmentation of markets, ultimately lowering intermediation costs, wastage and prices for the final consumer. It builds on the strength of the local mandi and allows it to offer its produce at the national level.

The vision of e-NAM is to promote uniformity in agriculture marketing by streamlining of procedures across the integrated markets, removing information asymmetry between buyers and sellers and promoting real time price discovery based on actual demand and supply. It was launched by Ministry of Agriculture, Government of India. The electronic market pilot across India was launched on 14 April 2016 by Prime Minister of India, Narendra Modi. The Portal is managed by Small Farmers' Agribusiness Consortium (SFAC) with technology provider, NFCL's iKisan division. A similar project was initiated by the Congress government in the State of Karnataka, during UPA tenure and had been a great success. NDA government has rolled it out nationally. Around 6500 APMCs operate throughout the country of which 585 district level mandis in States/UTs desirous of joining are planned to be linked by NAM. 470 mandis are planned to be integrated by March 2017 and the remaining by March 2018.

NAM is envisaged as a win-win solution for all stakeholders and these are farmers, local traders, bulk buyers, mandis and finally consumers. For the farmers, NAM promises more options 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

Below table shows number of Mandis doing online trading

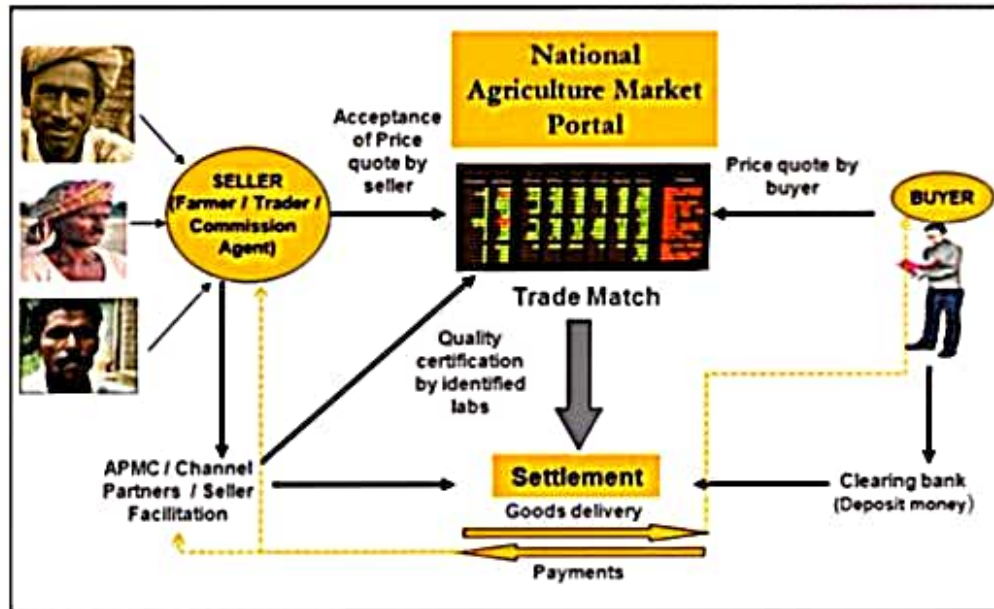
State	No. of APMC	Mandis Doing Online Trade	Percentage
Uttar Pradesh	100	84	84.00
Gujarat	79	43	54.43
Maharashtra	60	41	68.33
Madhya Pradesh	58	48	82.76
Haryana	54	38	70.37
Telangana	47	29	61.70
Rajasthan	25	24	96.00
Tamil Nadu	23	11	47.83
Andhra Pradesh	22	17	77.27
Himachal Pradesh	19	8	42.11
Jharkhand	19	2	10.53
Punjab	19	19	100.00
West Bengal	17	12	70.59
Uttarakhand	16	13	81.25
Chhattisgarh	14	9	64.29
Odisha	10	5	50.00
Puducherry	2	2	100.00
Chandigarh	1	1	100.00

Source : <http://www.enam.gov.in/enam/mandis-online>

Mandi in Hindi language means market place. Traditionally, such market places were for food and agri-commodities. However, over time the attention of mandis got widened to include trading hubs for grains, vegetables, timber, almost every tradable was included. Mandis for animals like cattle, goats, horses, mules, camels and buffaloes, and poultry are often organized as fairs. Thus the word mandi denotes the market place where anything is bought and sold. In most of the states/provinces in India, the Agricultural Produce Marketing Committee (APMC) operates the wholesale market for agri-products.

Uttar Pradesh state having maximum number of APMCs and out of which 84 Mandis are doing online trading. All the APMCs of Punjab state and union territory Puducherry & Chandigarh are functioning under the electronic platform. In case of Maharashtra state 41 mandis of 60 APMCs are performing under the NAM scheme. The above table indicates progress of performance APMCs about working through the e-NAM.

Functioning of e-NAM : e-NAM is intended as a unified national electronic market bringing interconnectivity to markers across the country. The NAM Portal provides a single window service for all APMC related information and services. While material flow (agriculture produce) continue to happen through Mandis, an online market reduces transaction costs and information asymmetry. Here farmers can trade directly on their own or through registered commission agents.



Source : <https://blog.forumias.com/e-nam-sowing-of-seeds-for-future/>

As shown in above diagram e-NAM is beneficial to farmers because it provides the freedom to the farmers to take his produce to any market that gives him better price and the platform increases competition and provides information poor farmers. This system is also helpful to traders because they get access to the larger national market. The important change is that the platform allows private players to buy directly from farmers so far not allowed under APMC. It helps to shorten the supply chain of agricultural commodities and through which efficiency gains will be transferred to both farmers and consumers in terms of fair price. It also offer an opportunity to investors for increase investments in cold chain, and the platform discourage hoarding leading to lower food inflation

Challenges before e-NAM :

Followings are the basic challenges before this e-marketing platform of agricultural produces

1. It is difficult to persuade all stakeholders like farmers, traders and commission agents to move to the online platform. Farmer is the main stakeholder and generally they are illiterate.
2. It needs scientific sorting/grading facilities or quality testing machines and these facilities are inadequate in APMCs.
3. It needs internet facility and technical expertise.
4. Legal barriers to entry of organized and modern capital and investments into agricultural marketing.
5. Resistance from traders and commission agents

Conclusion:

Connecting sellers and customers to markets is a key factor that will bring better participation in the evolving markets and ensure better returns to both sellers and buyers. E-NAM platform provides opportunity to farmers, traders and customers to choose from widespread alternatives. This strategy of the Government creates one mandi through e-mandi but along with that there are some challenges before this platform. It is essential that to make available this smart facility to marginal farmer.

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