

# NABARD SCHEME HANDOUTS

## E-NAM

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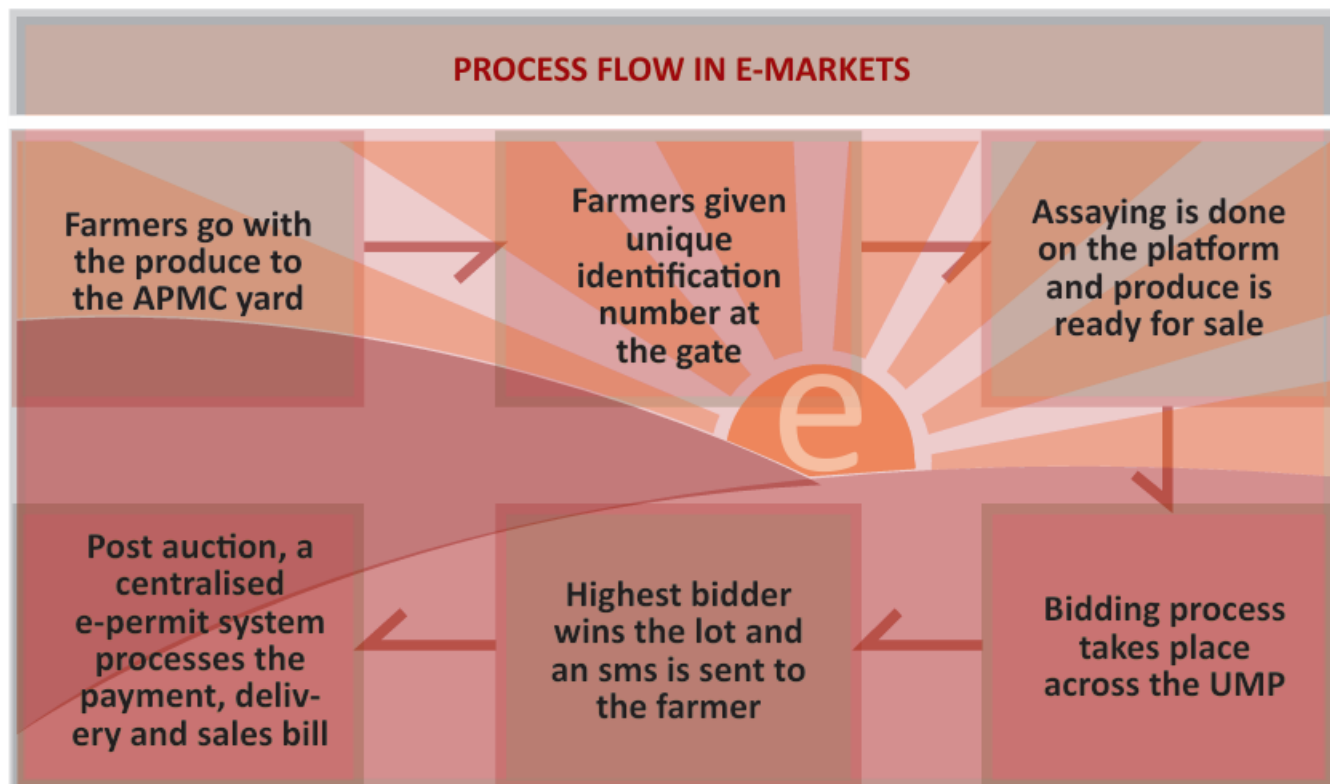
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Candidates are advised to refer "CLASS" taken for this scheme for better understanding

## 1 Back Ground – Genesis of E-NAM from ReMS



The Rashtriya e-Market Services (ReMS) Private Limited is a joint venture initiative between the Government of Karnataka and NCDEX e-Market Limited (NeML), started in 2013, with the objective of bringing about transparency in the agricultural marketing system and helping with efficient price discovery that would benefit farmers. Further, in 2016, the National Agriculture Market (eNAM) was launched with the objective of providing a single window service for all APMC related information and services, including commodity arrivals, quality assaying, competitive bid offers, and electronic payment settlement directly into farmers' accounts. This online digital market aims at reducing transaction costs, bridging information asymmetries, and helping expansion of market access for farmers and other stakeholders.

## 2 Introduction

National Agriculture Market (e-NAM) is a pan-India electronic trading portal which networks the existing Agricultural Produce Market Committee (APMC) mandis to create a unified national market for agricultural commodities. Launched by Prime Minister Narendra Modi on **April 14, 2016**, e-NAM is completely funded by the Central Government and is implemented by Small Farmers Agribusiness Consortium (SFAC), under the aegis of Ministry of Agriculture and Farmers' Welfare. e-NAM platform promotes better marketing opportunities for the farmers to sell their

produce through online competitive and transparent price discovery system and online payment facility.

The e-NAM portal provides single window services for all APMC related information and services. This includes commodity arrivals, quality & prices, buy & sell offers and e-payment settlement directly into farmers' account, among other services. It aims 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.

## 2.1 Objectives

To The main objectives of the Scheme are-

- to expand and consolidate the e-NAM through integrating more markets and
- promoting inter-mandi within State and inter-state trade;
- to focus on Warehouses Based Sale (WBS) and eNWR trade through e-NAM;
- to proactively formalize new modules to provide benefits to the farmers and FPOs.
- to open the e-NAM platform beyond APMC/RMC mandis to create further competition and ensure competitive price realization to the farmers ;
- to strengthen quality assaying systems and to develop trade reliable grade standards to promote inter-mandi and inter-State e- trade; and
- to create further demand in market and to benefit farmers, along with the primary trade, secondary trade will also be undertaken through e-NAM.

## 2.2 Vision

- To facilitate seamless inter-mandi and inter-state trade in transparent manner
- To offer best discovered price to the farmers. To make e-NAM operational beyond APMC markets.
- To transform e-NAM platform as architecture akin to “**Open Networking for Digital Commerce**” enabling integration of all service and logistic providers including private e -trading platforms and also allowing trade from “anywhere” to “anywhere”.
- To upgrade and sophisticate quality testing/ assaying labs to assure quality

## 2.3 Scheme Component

- **Selection:** Selection of State's/UT's APMCs/Regulated Market Committees (RMCs) is undertaken after mandatory reforms in their APMC/RMC Acts as prescribed in the Scheme and approval of their Detailed Project Report (DPR) by Project Appraisal Committee (PAC). Details of eligibility to avail assistance under the scheme are outlined in the scheme guidelines.
- **Free Support:** Provision of e-NAM software to States/UTs free of cost.
- **Financial Support:** Based on their Detailed Project Reports (DPR), financial assistance is provided to State/UT for selected APMCs/RMCs up to a maximum of

Rs.30.00 lakhs per market, for purchase of hardware, five internet connections, assaying equipment and related infrastructure to make the market ready for integration with e-NAM platform. State Government/ UT/ their agencies would bear the balance fund requirement, if any, for making arrangement for electronic trading in proposed markets.

- **Technical Assistance:** Small Farmers Agribusiness Consortium (SFAC), the Lead Implementing Agency (LIA), through Strategic Partner (SP) Nagarjuna Fertilizers & Chemicals Ltd.(NFCL) for implementation of e-NAM, deputes at all APMCs/ RMCs free of cost one Mandi Analyst at each market, for a period of one year to provide day to- day hand holding support to stakeholders for its successful implementation. e-NAM portal access to private markets may be considered by the Project Appraisal Committee (PAC) provided they are recommended by the competent authority of the concerned State/UT. However, in such cases they must provide for Mandi Analyst, related hardware, assaying facilities and other support services at their own cost.
- **Capacity building:** Orientation of APMC/RMC line staff, awareness to farmers through Market talk, Gram Sabha, Print & Electronic media would be undertaken with support of strategic partner.

## 2.4 Pre-Requisites

There are three basic criteria for a state to propose Mandis for e-NAM:

- 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/UT
- A single point levy of market fee across the State/UT.

The scheme being linked to agricultural marketing reforms, the States / Union Territories (UTs) need to undertake mandatory reforms in their Agriculture Produce Market Committee (APMC) Acts in respect of following three areas to avail the assistance under it –

- (i) single trading license to be valid across the State;
- (ii) single point levy of market fee across the State; and
- (iii) provision for e-trading platform as a mode of price discovery to be facilitated by the State Agriculture Marketing Department / Board / APMCs / Regulated Market Committees (RMCs), as the case may be.

In addition, States / UTs must also undertake- (i) (ii) (iii) to trade 100 % volume of selected agricultural commodities through e-trading platform in the markets proposed to be covered under e-NAM;; to make provision\*\* for Soil Testing Laboratories (STLs) or ensure that markets are linked to STLs located in close proximity; to meet the balance fund

requirement towards implementation of e-NAM, if any, over and above that granted by the State Level Sanctioning Committee (SLSC); (iv) to bear all future escalations, as may arise after 5 years upon expiry of service agreement with Strategic Partner; (v) to bear annual maintenance provisions for the software as may arise after 5 years upon expiry of service agreement with Strategic Partner;

30 Lakh	Department will give grant as one time fixed cost to the States / UTs up to Rs.30.00 lakh per market, based on their DPR for purchase of hardware, internet connection, assaying equipments and related infrastructure as sanctioned by SLSC
40 Lakh	Department will give grant as one time fixed cost to the States / UTs up to Rs.40.00 lakh per market, based on their DPR for purchase of cleaning , grading and packaging and related infrastructure/facilities as sanctioned by SLSC
5 Lakh	Department will give grant as one time fixed cost to the States / UTs up to Rs. 5.00 lakh per market based on their DPR , as sanctioned by SLSC

## 2.5 Beneficiaries

e-NAM is designed and implemented to benefit all the stakeholders – farmers, mandis, traders, buyers, FPOs, processors and the exporters. The benefits to stakeholders include:

- Transparent online trading with enhanced accessibility to the market.
- Real time price discovery for better & stable price realization for producers.
- Reduced transaction cost for buyers.
- Availability of information on e-NAM mobile app about commodity prices. The details of price of commodity sold along with quantity are received through SMS.
- Quality certification.
- More efficient supply chain & warehouse based sales.
- Online payment directly to the bank accounts of the farmers.

## 2.6 Stakeholders



### Structure in District



**Small Farmers' Agribusiness Consortium. (SFAC):** SFAC has been appointed as the **lead agency** for implementation of National Agriculture Market by the Department. SFAC will implement e-NAM with support from **Strategic Partner (SP)** selected by the Executive Committee of SFAC headed by Secretary (DAC&FW). At present, **M/s Nagarjuna Fertilizers and Chemicals Limited, (NFCL)** has been appointed as SP for a period of 05 years from the date of signing the contract agreement i.e. 12.01.2021 to maintain e-NAM Portal. National Informatics Centre (NIC): National Informatics Centre (NIC) as **technical partner** of the Department will be responsible for hosting of e-NAM software on Meghraj cloud. SAMB / Directorate of Agricultural Marketing shall facilitate APMCs/RMCs to implement e-NAM are **Implementing agencies**. Directorate of Marketing and Inspection (DMI): DMI, an attached office of the Department will provide assistance on following matters - **Monitoring and handholding agency** for e-NAM mandis to promote inter-mandi and inter-State trade of agricultural produce.

## 2.7 Monitoring of scheme

Monitoring by combination of periodic desk review, field visits and web-based mechanism are adopted to track the physical progress of integration of existing mandis to e-NAM portal. Overall monitoring of the progress of the scheme interventions in all the states and national level is undertaken by PAC.

- A coordinated approach for monitoring and evaluation by involving following agencies will be undertaken:
  - I. National level- lead implementing agency (SFAC) along with DMI/NIC with the support of SP (NFCL)
  - II. State level- respective department with supporting agencies (SAMB/DAM/NFCL)



## 2.8 Outcomes

Single license for trading across all markets in a State.

- Single point of market fee.
- Electronic auction for transparent price discovery.
- Easier norms for obtaining trading licenses.
- Abolition of fragmented markets.
- Seamless transfer of agricultural commodities.
- Improved supply-chain and reduced wastage.
- Increased price share for the farmers.
- Wholesale based sales.
- Quality based informed training.

## 2.9 New Features

- During COVID-19 pandemic, e-NAM platform /mobile application has been further strengthened by launching FPO (Farmer Producer Organisation) trading module in e- NAM whereby FPOs can trade their produce from their collection center without bringing the produce to APMC.
- Warehouse based trading module was also launched in e-NAM to facilitate trade from warehouses based on e-NWR (electronic Negotiable Warehouse Receipt).
- On July 14, 2022, Platform of Platforms (POP) under the National Agriculture Market (e-NAM) was launched. With its introduction, farmers will be facilitated to sell the produce outside their state borders. This will increase farmers' digital access to multiple markets, buyers and service providers and bring transparency in business transactions. 41 service providers from different platforms are covered under POP facilitating various value chain services like trading, quality checks, warehousing, fintech, market information, transportation etc.
- AI based assaying equipments have been integrated with e-NAM platform.





## 2.10 Achievements

- More than 1.75 crore Farmers & 2.43 Lakh traders have registered on e-NAM platform (as on March 31, 2023).
- 2,575 FPOs have been onboarded on e-NAM platform.
- Traded value worth ₹ 2.50 lakh crore has been recorded on e-NAM platform.
- As on March 16, 2023, 1361 mandis of 23 States and 4 UTs have been integrated with e-NAM platform.
- Digital India Award 2022: Electronic National Agriculture Market (e-NAM) initiative of Ministry of Agriculture won Platinum Award (1st) in the Digital Empowerment of Citizens Category.

## 2.11 Recent News

- With more states opening up or facilitating trade of agricultural commodities on electronic – National Agriculture Market (e-NAM), trade on the platform is projected to touch **Rs 80,000 crore in FY24**.
- In April-February this fiscal, e-NAM turnover has crossed **Rs 70,000 crore** and there has been spurt in inter-mandi and inter-state trading of agri-commodities on the platform.
- Officials have urged other states to follow the farm gate purchase model so that farmers could sell their commodities at appropriate time and save costs on transportation and cost of multiple handling of commodities.
- Farmers in several states — Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Rajasthan, Tamil Nadu, Uttar Pradesh, Odisha, Himachal Pradesh and Jammu and Kashmir have started to sell commodities on e-NAM using the farm-gate model.
- In the April-February period of the current fiscal, there has been a 145% spike in inter-mandi trade on e-NAM to Rs 1485 crore. In terms of inter-state trade, which was not happening a year ago, there has been an increase since the beginning of the year.
- Finance minister Nirmala Sitharaman in her interim-budget speech had stated “e-NAM is providing services to 18 million farmers with a trading volume of Rs 3 trillion,
- There are 1389 mandis integrated into the digital platform since its launch in April 2016, are in 27 states and Union Territories including Tamil Nadu (157), Rajasthan (145), Gujarat (144), Maharashtra (133), Uttar Pradesh (125) and Haryana (108).
- In addition, 3510 farmer producers Organisations (FPOs), 0.25 million traders and around 0.11 million commission agents are registered with e-NAM.
- The e-NAM platform currently allows online trading in 209 agricultural, horticultural and other commodities notified by respective state governments.

- Inter-state trade on e-NAM increased from ₹1 crore during 2022-23 (April-December) to ₹40 crore in 2023-24 (April-December). As on December 31, a total trade value of ₹3 lakh crore was recorded on e-NAM platform.
- The proposals of private markets, private collection/aggregation/ purchase centre, private warehouses declared as deemed market-yard/ sub-market yard, Grameen Agricultural Markets (GrAMs) for providing access to e-NAM portal may also be considered by the State Level Sanctioning Committee (SLSC).

### Also to know related to Agri Marketing

The government launched an online digital platform named "**e-Upaja Kisaan Nidhi**" to empower farmers with access to pledge finance against harvested commodities. This initiative enables farmers to store their agricultural produce with the Warehousing Development and Regulatory Authority (WDRA) and secure post-harvest loans from banks. The announcement was made by Consumer Affairs, Food and Public Distribution Minister Piyush Goyal during the launch ceremony of "e-Kisan Upaj Nidhi" (Digital Gateway) of the WDRA