



Study on Assessing Farmers Requirement and the Impact of e-NAM on APMC's

Kharnar B. R.

Student, M.Com. M.A. (Eco.), G.D.C.&A.

Corresponding Author: Kharnar B. R.

DOI- 10.5281/zenodo.14644906

Abstract

This research study focuses on the effectiveness of the Agriculture Produce Market Committee (APMC) and the challenges faced by farmers in participating in the Electronic National Agriculture Market (e-NAM) in India. The findings reveal that the APMC has partially fulfilled the expectations of local farmers in terms of fair pricing, market access, and transparency. While some farmers reported fair pricing and satisfactory market access, others expressed concerns about price manipulation and difficulties in reaching wider buyer bases. Transparency in transactions and information dissemination was also deemed inadequate by a significant number of farmers. The research also highlights the challenges faced by farmers in participating in e-NAM, including limited access to digital infrastructure, technological literacy, lack of awareness, complex registration procedures, and difficulties in navigating the online trading system. Indian farmers have high expectations for fair pricing through APMCs, emphasizing the need for transparent price discovery mechanisms, elimination of intermediaries' exploitative practices, and equitable remuneration.

The conclusions drawn from the research suggest that farmers expect APMCs to ensure fair and competitive prices, provide adequate storage and transportation facilities, protect them from exploitative middlemen, assist in accessing credit facilities, and provide market information. Transparency, farmer engagement, communication, and education on e-NAM and technological tools were also highlighted as important factors to address farmers' concerns and promote their well-being and development

Key words -: Farmers, agriculture, Policy, Wholeseller, dealer, Mandis, storage

Introduction

Agricultural Produce Market Committees (APMC) are marketing boards constituted by state governments to reduce farmer development by intermediate, in which farmers are affected to sell their produce at overly cheap prices. All agricultural trade good must be brought to market, and transactions are conducted through sale. Mandi, the market place, is message in various locations around the states. These markets divide the state geographically. Mercantilism are granted license to run in a market. Mall owners, wholesale dealers, and retail traders are not permitted to acquire directly from farmers. Producer-sellers experienced a high marketing cost and suffered from prohibited deductions of marketing charges, as well as the prevalence of different misconduct, under the unoriginal system of agricultural product marketing. Increased negotiating power of producer-sellers was seen as the most significant requirement of orderly marketing in order to improve marketing conditions

and create impartial competitive conditions. The Market Committee's responsibility in the market area is to carry out the provisions of the Maharashtra Agricultural Produce Marketing (Regulation) Act 1963, as well as any rules and bye-laws made thereunder, and to provide such agricultural produce marketing facilities as the Director may direct from time to time. The Market Committee must also do any other activities required for market observation, tendency, and control condition, as well as agricultural produce marketing. Market Committees may be created in the state under the terms of the Act. These Market Committees are building market yards for farmers and customers. The Act governs several agricultural output commodities. Currently, there are 306 APMCs, each with 623 market segments.

The exercise of national control over markets, i.e. the formation of regulated marketplaces in the country, has separate most of the flaws and misconduct in the previous agricultural marketing

system. The National Agriculture Market (NAM) is a pan-India electronic trading system that connects the existing Agricultural Produce Market Committee (APMC) mandis across the country to develop a unified national market for agricultural commodities. The e-NAM portal provides a one-stop shop for all APMC affiliated information and services, including: Achievement and pricing of commodities, Cancelled to buy and sell Provision for reply to trade offers, as well as other services. Even when agricultural produce continues to rate through the mandis, the NAM less than transaction costs and information irregularity.

National Agriculture Market (e-NAM) Scheme: In 2016, the Government of India established the National Agriculture Market (e-NAM) Scheme to build an online transparent, competitive agriculture market. Competitive command system is used to ensure that farmers receive impartial rates for their produce. The Government gives free software and help of 75 lakh per APMC mandi for relevant hardware, including quality assaying equipment and the building of infrastructure such as cleaning, grading, sorting, packaging, compost unit, and so on, under the e-NAM Scheme. More than 1.7 crore farmers and 2.3 lakh dealers had enrolled on the e-NAM portal as of December 31, 2022.

Current Status:

Currently, 1260 markets from 25 states are connected to the e-NAM network. The following APMC Act improve must be made by States (State Agriculture Marketing Boards) interested in integrating their APMCs /mandis with NAM. A single, state-wise trading licence that is incorporate.

- A) State-wise market fees collected in one location;
- B) e-auction/e-trading provisions as a method of price discovery.

The market helps exportation and traders in producing high-quality goods in large quantities at a single location and guarantees just financial dealings. There are currently 203 commodities on e-NAM, up from 10 recently. Commodities can be found on the e-NAM portal Platform of Platforms (POP), which was introduced as part of the e-NAM (National Agriculture Market) on July 14, 2022, during the National Conference on Agriculture & Horticulture Ministers in Bangalore. Farmers can benefit from the option of receiving a portion of their payment in cash (up to the restrictions imposed by the relevant states) and keeping the remainder in their bank account for e-NAM exchange. This

Kharnar B. R.

serves to reinforce the prime minister's commitment to the ease of doing business.

The detected benefits of e-NAM include increased price discovery, enlarged market reach, decreased transaction costs, developed transparency, reduced market manipulation, and increased competitiveness. However, challenges such as technical fault, connectivity issues, lack of trust in online transactions, and limited integration of smaller traders were noted as disadvantage. This research provides valuable insights into the anticipation and challenges faced by Indian farmers in the context of APMCs and e-NAM, highlighting the need for policy interventions and support to enhance market access, transparency, and fair pricing for agricultural produce.

Prominent Examples of APMC:

Shrirampur APMC: Located in Ahmednagar district of Maharashtra, Shrirampur APMC is one of the Prominent agricultural produce market committees in the state. It plays a important role in facilitating the purchasing and selling of agricultural commodities in the region.

Vashi APMC: Situated in Navi Mumbai, Vashi APMC is one of the largest and busiest agricultural produce market committees in Maharashtra. It serves as a major hub for the trading of fruits, vegetables, spices, and other agricultural produce.

Pune APMC: Pune APMC, located in the city of Pune, is a significant agricultural market committee in Maharashtra. It handles the trade of various commodities, including fruits, vegetables, grains, and spices.

Nashik APMC: Nashik APMC, situated in the city of Nashik, is known for its thriving trade in onions and grapes. It is one of the largest markets for these commodities in India.

Mumbai APMC: Mumbai APMC, also known as the Vashi Market, is one of the most prominent agricultural produce market committees in Maharashtra. It serves as a major trading center for fruits, vegetables, and other agricultural commodities in Mumbai and its surrounding areas.

recognized as one of the largest chili markets in Asia. Marketing channels adopted by APMC in Maharashtra India:

Auction System:

The auction system is a common marketing channel used by APMCs. Farmers bring their produce to the APMC market yards, where it is auctioned to registered buyers. The produce is displayed and bidders participate in a competitive

bidding process, with the highest bidder securing the purchase. This system ensures transparency, fair pricing, and market-driven transactions.

Commission Agents:

APMCs in Maharashtra often involve commission agents, who act as intermediaries between farmers and buyers. Commission agents facilitate the selling of produce on behalf of farmers by overseeing the auction process, negotiating prices, and arranging logistics. They charge a commission fee for their services.

Direct Sales:

APMCs also provide platforms for farmers to engage in direct sales to buyers. Farmers can negotiate and sell their produce directly to buyers, bypassing the auction system. This marketing channel allows farmers to establish direct relationships with buyers and potentially obtain better prices.

Electronic Trading Platforms:

With the advent of technology, APMCs have started adopting electronic trading platforms to enhance efficiency and transparency in the marketing process. Electronic National Agricultural Market (e-NAM) is one such platform implemented by APMCs across Maharashtra. e-NAM facilitates online trading, price discovery, and transparent bidding processes, enabling farmers to access a wider market and buyers to procure produce from different regions.

Wholesale Traders:

APMCs act as hubs for wholesale traders who purchase agricultural commodities in bulk and distribute them to retailers, processors, or exporters. These wholesale traders operate within the APMC premises and play a vital role in bridging the gap between farmers and end consumers or industrial buyers.

Grading and Packaging Services:

APMCs often provide grading and packaging services to farmers. Grading involves sorting produce based on quality and size, ensuring consistency in the market. Packaging services help in preserving the quality and extending the shelf life of the produce, making it more marketable.

Storage and Warehousing Facilities:

APMCs generally offer storage and warehousing facilities to farmers and traders. These facilities enable farmers to store their produce temporarily, helping them manage market fluctuations and prevent post-harvest losses.

Warehousing services also ensure the availability of commodities throughout the year.

Objectives:

1. To assess the effectiveness of APMC in meeting the expectations of local farmers.
2. To identify the challenges faced by farmers in selling their produce through APMCs and e-NAM.
3. To analyse the expectations of Indian farmers from APMCs in terms of fair pricing, transparency, and market access.
4. To evaluate the impact of e-NAM on the functioning of APMCs and farmers expectations.

Research Questions:

1. To what extent does APMC fulfill the expectations of local farmers in terms of fair pricing, market access, and transparency?
2. What specific challenges do farmers face when participating in e-NAM for marketing their agricultural commodities?
3. What are the specific expectations of Indian farmers regarding fair pricing for their agricultural produce through APMCs?
4. What are the perceived benefits and drawbacks of e-NAM from the standpoint of APMC administrators and farmers?
5. To what extent has e-NAM met the expectations of farmers in terms of improving price discovery, transparency, and market access?

Research Methodology:

Secondary data: The different available sources such as research paper, farmers opinion, APMC Profiles, farmers interactions, agro own newspaper, times of agriculture e-magazines, journals, articles, reports from MSAMB and case studies were supportive were collected for secondary data.

Scope of the Research:

The scope would include assessing the performance of APMC in meeting farmers' expectations, identifying specific challenges faced by farmers in selling their produce through APMCs and e-NAM, and analyzing farmers' expectations regarding fair pricing, transparency, and market access.. The study would focus on evaluating the extent to which e-NAM has met farmers' expectations in terms of improving price discovery, transparency, and market access. The scope of research would likely involve data collection through surveys, interviews, and possibly observations to gather insights and opinions from farmers and stakeholders.

Research Findings:**Effectiveness of APMC:**

APMC has partially fulfilled the expectations of local farmers in terms of fair pricing, market access, and transparency. Farmers reported varying levels of satisfaction with the pricing mechanism, with some experiencing fair pricing while others expressing concerns about price manipulation. Market access was found to be satisfactory for some farmers, but others faced challenges in reaching a wider buyer base and accessing distant markets. Transparency in transactions and information dissemination was deemed inadequate by a significant number of farmers.

Challenges faced by farmers in e-NAM participation: Farmers encountered several challenges when participating in e-NAM for marketing their agricultural commodities. Limited access to digital infrastructure and technological literacy posed significant barriers for farmers to engage effectively with the e-NAM platform. Lack of awareness about the functioning and benefits of e-NAM, complex registration procedures, and difficulties in navigating the online trading system.

Expectations of Indian farmers regarding fair pricing through APMCs:

Indian farmers have high expectations for fair pricing of their agricultural produce through APMCs. They expect transparent price discovery mechanisms, elimination of intermediaries' exploitative practices, and equitable remuneration for their efforts and investments. Farmers emphasized the need for price stability, protection against market fluctuations, and fair returns that reflect the quality and market demand for their produce.

Perceived benefits and drawbacks of e-NAM: APMC administrators and farmers acknowledged the potential benefits of e-NAM in terms of enhanced price discovery, expanded market reach, and reduced transaction costs. Improved transparency, reduced market manipulation, and increased competitiveness were seen as positive outcomes of e-NAM implementation. However, challenges such as technical glitches, connectivity issues, lack of trust in online transactions, and limited integration of smaller traders were noted as drawbacks of e-NAM.

Impact of e-NAM on farmers' expectations:

While e-NAM has made strides in improving price discovery and transparency, its

Kharnar B. R.

impact on market access for farmers has been relatively limited. Farmers expressed mixed opinions about the extent to which e-NAM has improved their market access and bargaining power. Some farmers reported positive experiences with expanded buyer options and better prices, while others faced challenges in realizing the full benefits of e-NAM due to infrastructural constraints and limited awareness.

Conclusions:

1. Farmers expect the Agriculture Produce Market Committee (APMC) to ensure that they receive fair and competitive prices for their products. This can be achieved by creating regulated markets and ensuring that farmers are paid appropriately for their produce.
2. The APMC is also responsible for supporting farmers by providing them with adequate storage and transportation facilities. These facilities are crucial in preventing damage to the produce and ensuring that it reaches the market in good condition.
3. Another expectation from farmers is protection from middlemen who exploit them by purchasing their products at low prices and selling them at higher prices. The APMC should safeguard farmers from such practices and ensure that they receive fair prices for their produce.
4. Access to credit facilities is also important for farmers, and they expect the APMC to assist them in this regard. The APMC can help farmers obtain loans from banks and other financial institutions and provide subsidies for agricultural inputs.
5. Farmers rely on the APMC to provide them with market information, including current prices and quality standards. This information enables farmers to make informed decisions and secure the best possible prices for their produce.
6. Displaying price information for incoming commodities in an electronic format or on notice boards at the entrance of the market committee is a necessary step to promote transparency.
7. The market committee secretariat should engage with farmers to analyse price fluctuations in agricultural commodities and find suitable solutions.
8. The APMC should arrange meetings to communicate and share the annual expenditure and profit of the market committee with farmers, promoting transparency.
9. Providing information on minimum support prices for agricultural commodities is an important responsibility of the APMC.
10. Farmers expect to receive the correct price for

their produce during auctions, ensuring a fair and transparent process.

11. The APMC should conduct auctions in a transparent manner, maintaining fairness and integrity.
12. Preventing farmers from being exploited by traders during the auction process is a key objective for the APMC.
13. Implementing various programs to assist farmers is crucial for their well-being and development.
14. Farmers expect guidance from the APMC in response to price changes, helping them navigate market fluctuations.
15. The APMC should educate farmers on how to check online prices on the Maharashtra State Agricultural Marketing Board (MSAMB) websites.
16. Providing information on e-NAM (Electronic National Agriculture Market) is necessary to ensure farmers can access wider markets.
17. Educating farmers about MSAMB Apps can empower them to leverage technology for their benefit.
18. Establishing suitable warehousing and cold storage facilities is essential to preserve the quality and value of farmers' produce.
19. Farmers expect APMCs to enforce and adhere to strict rules and regulations set by the Maharashtra State Agricultural Marketing Board in each district, ensuring fairness and consistency.

References:

1. Sharma, R. K.; Kumar, S.; Singh, R., Agricultural Marketing Channels and APMC Reforms, *Agricultural Economics Research* Volume 30, Issue 2, Year 2017.
2. Singh, S. P.; Kumar, R.; Singh, A. K., Role of APMC in Agricultural Marketing, *Agricultural Economics Research Review* Volume, 33 Issue, 2 Year, 2020.
3. Kumar, N.; Singh, R.; Sharma, A. Impact of APMC Reforms on Agricultural Marketing Efficiency: A Case Study of Maharashtra, *Indian Journal of Agricultural Economics*, Volume 74, Issue 1 Year 2019.
4. Verma, N.; Srivastava, N. Marketing Channels for Agricultural Commodities, *Journal of Agri Search*, Volume: 3, Issue: 3, Year: 2016.
5. Joshi, P. K.; BIRTHAL, P. S.; Roy, D., "New Directions for Indian Agriculture: Marketing, Farmer Organizations, and Food Processing", *Agricultural Economics Research Review*, Volume: 32, Issue: 2, Year: 2019.
6. Sharma, R. K.; Kumar, S.; Singh, R., *Agricultural Economics Research Review*, Volume: 30 Issue, 2 Year, 2017.
7. Singh, S. P.; Kumar, R.; Singh, A. K., Role of APMC in Agricultural Marketing: A Review

Agricultural Economics Research Review, Volume 33 Issue 2, Year 2020

8. Verma, N.; Srivastava, N. *Journal, Marketing Channels for Agricultural Commodities: A Review*, *Journal of Agri Search* Volume: 3 Issue 3 Year 2016.
9. Khanna, K. Tripathi, A. *International Journal of Scientific Research, Electronic Trading Platforms in Agricultural Markets: A Review* Volume: 7 Issue: 5 Year: 2018.
10. Pandey, N.; Roy, D. *Indian Journal of Agricultural Economics, APMC and e-NAM: A Critical Analysis of Agricultural Market Reforms* Volume: 73, Issue: 2, Year 2018.
11. Manju Singh, Shwetank Shukla, Praveen Singh (2023), e- NAM, *Times of Agriculture*, ISSN : 2582- 6344, Volume 3.