



## A Study of New Initiatives in APMC Markets on Farmers Income

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DOI - 10.5281/zenodo.20485407

### Abstract:

Agriculture is a key part of India's economy and supports the livelihoods of many people. It is important to have good systems for selling agricultural products so that farmers can get fair prices for what they grow. The Agricultural Produce Market Committee (APMC) was created to help control the trade of agricultural goods and prevent farmers from being taken advantage of by middlemen. But the old APMC system has had some problems, like not being open and honest, limited access to markets, and poor infrastructure. In recent years, the Indian government has launched several new projects to improve how agricultural products are sold and to help farmers earn more money.

One big project is the National Agriculture Market, or e-NAM, which is a digital platform that links APMC markets nationwide and lets farmers sell their goods online. Also, there have been efforts to improve storage, sorting, and warehouse facilities to cut down on losses after harvest and help farmers get better prices. This study looks at how APMC markets work and checks how these new projects have affected farmers' incomes.

It also looks at how well government policies are working and how much farmers know about and use these new initiatives. The results of this study aim to show how modern changes in agricultural marketing can help improve farmers' financial situations and make the agricultural market system in India stronger.

**Keywords:** APMC, Farmers, e- nam, Farmer Producer Organization (FPO), Trade, Market, Gramin Agricultural Markets, or GrAMs.

### Introduction:

Agriculture is a key part of India's economy and supports the livelihoods of many people. Farmers rely on agricultural markets to sell their crops and make money. In India, the sale of agricultural products is mostly managed through the Agricultural Produce Market Committee (APMC) system. This system was set up to make sure trade is fair and protect farmers from being taken advantage of by middle APMC markets offer a controlled environment where farmers can sell their produce through open

auctions. These markets help farmers get fairer prices and ensure that their products are weighed correctly, paid for properly, and sold in good conditions. However, farmers have faced issues like price changes, poor infrastructure, and reliance on middlemen, which have impacted their earned make the agricultural marketing system better and help farmers earn more, the government has introduced several new reforms and initiatives in APMC markets. These include digital trading platforms, better infrastructure, storage facilities, grading of products, and

improved price information. One important example is the National Agriculture Market (e-NAM), which links various APMC markets through an online platform, letting farmers sell their goods to buyers all over the country.

These changes aim to bring more transparency to agricultural trade, reduce the role of middlemen, make the market more efficient, and help farmers get better prices for their products. By using modern technology and better trading practices, APMC markets are slowly changing the way agricultural marketing work. Understanding how these new initiatives affect farmers' incomes and the overall marketing system is important for improving agriculture in India.

The National Agriculture Market, or eNAM, is a nationwide electronic platform that connects all the country's agricultural marketplaces into one unified national market for farming products. It was started in 2016 with the goal of helping farmers reach more markets, making it easier for them to find better prices, and ensuring fair and open trading of farm goods across different states.

#### **Objective:**

1. To Study the functioning of APMC markets.
2. To study new initiatives introduced in APMC markets.
3. To study the impact of these initiatives on farmers' income.
4. To identify challenges faced in the implementation of reforms.
5. To indicate measures for improving the agricultural marketing system.

#### **Functions of APMCs:**

1. **Regulating Trade Practices:** APMCs manage the buying and selling of agricultural goods, making sure that transactions are

transparent and fair. They create rules that control how markets operate to stop farmers from being taken advantage of by middlemen.

2. **Market Infrastructure Development:** APMCs build and keep up market areas, storage places, and other facilities needed for trading agricultural products. This includes spaces for selling items through auctions and storing them safely.
3. **Price Discovery:** APMCs use auction systems to find fair prices for agricultural products. This helps farmers get a good price for their goods based on what the market wants and needs.
4. **Licensing and Regulation:** APMCs give licenses to traders, agents, and other market workers, making sure only approved people can operate in the market. This helps keep the market organized and responsible.
5. **Dispute Resolution:** APMCs help settle disagreements between farmers and traders, making sure problems are solved quickly and fairly.
6. **Protecting Farmers' Interests:** APMCs work to stop farmers from being exploited by middlemen, ensuring they get fair prices for their crops. They also help keep prices stable and stop unfair trading practices. Agricultural Produce.

#### **Market Committee (APMC) markets work in India:**

The Agricultural Produce Market Committee, or APMC, is a legal body set up by the state governments of India to control how agricultural and some other goods are sold. It gives farmers a clear and open place to sell their products and helps make sure there is fair dealing between farmers and traders. APMCs are a key part of India's system for marketing agricultural products. The best place to sell the product gives APMC farmers a safe and suitable environment to

sell their goods. Information about market prices helps APMC farmers know the current rates, so they can get fair prices for their products. Protection against exploitation ensures that APMC farmers are not taken advantage of by traders. The safeguarding of farmers' rights ensures they receive fair treatment and justice.

#### **New initiatives in APMC:**

##### **Government initiative:**

The Implementation and Promotion of 10,000 FPOs Scheme (2020-2027) offers five-year support, managerial cost grants of up to ₹18 lakh per FPO, equity grants of up to ₹15 lakh, and credit guarantees of up to ₹2 crore. The implementing agencies—SFAC, NABARD, and NCDC—operate through Cluster-Based Business Organizations to ensure financial sustainability and market connections.

##### **Electronic National Agriculture Market (e-NAM):**

The Electronic National Agriculture Market, or e-NAM, is a major digital project started by the Government of India. It brings together various agricultural markets nationwide into one online trading system. The goal is to make the process more transparent, help find current prices quickly, and ensure farmers get better prices for their produce by connecting physical markets into a single national market. E-nam started in India April 14, 2016 and it has implemented Small Farmers Agribusiness Consortium (SFAC) its Coverage (2023): Over 1,260 mandis in 22 states and 3 union territories recently Registered users in e-nam More than 1.74 crore farmers and 2.39 lakh traders

##### **Farmer Producer Organizations (FPO):**

A Farmer Producer Organization (FPO) is a group of small and small-scale farmers who come together to enhance their financial situation by working together in farming, selling their products, and getting access to necessary

resources and services. These FPOs are officially recognized under India's Companies Act, 2013. They combine the benefits of cooperative farming with the efficiency of a company to help make farming more sustainable and better for the farmers.

##### **Gramin Agricultural Markets, or GrAMs:**

Gramin Agricultural Markets, or GrAMs, are small local markets in India's rural areas where farmers can sell their crops. These markets help improve how farmers can sell their goods in their own villages. They also connect these local markets to a bigger network of agricultural markets across the country. It has been launched under Pradhan Mantri Krishi Sampada Yojana and e-NAM framework for the purpose set up 22,000 rural markets that are connected to e-NAM by Ministry of Agriculture and Farmers Welfare started in Year 2018.

##### **Benefits and its Impact:**

e-NAM has made the agricultural supply chain stronger by reducing the cost of doing business and helping farmers reach markets all over the country. It allows farmers to get paid directly into their bank accounts, ensures prices are based on quality, and makes buyers compete more fairly. As of 2022, the total amount of goods traded through e-NAM was over 69 million metric tonnes worth 2.42 lakh crore.

FPOs help cut down on input costs by 20–40%, get better prices for their produce, which are 15–30% higher on average, and provide access to credit, insurance, and training. They also help farmers use new technologies, follow climate-friendly farming methods, and take part directly in digital marketplaces like e-NAM. As of 2025, tens of thousands of FPOs are linking millions of farmers across India, greatly helping grow rural incomes and make agriculture more resilient.

By opening up more marketing choices than just the usual mandis, GrAMs are helping

small farmers gain more power, make more money, and boost the economy in rural areas. They also help include more farmers in the digital world by linking them to national online trading platforms and encouraging more buyers to compete fairly.

#### **Challenges faced by implement this Initiatives:**

1. Even though there has been some progress, many FPOs still struggle with not having enough money, skilled leaders, and proper facilities.
2. It is still very important to improve their management practices, provide better training, and help them understand market trends so they can stay strong in the long run and truly support farmers fairly.
3. Even though some FPOs have made progress, they still struggle with not having enough money, skilled leaders, and proper facilities.
4. It's important to improve their management, provide good training, and help them understand market trends so they can stay around for a long time and fairly support the farmers.

#### **Measurement for improving the agriculture market system:**

1. **Strengthening APMC Market Infrastructure:** The government should work to make the facilities in Agricultural Produce Market Committee (APMC) markets better. This includes improving warehouses, cold storage units, grading systems, and transportation options. Better facilities help in keeping the agricultural products fresh for longer and improve their quality.
2. **Expansion of Digital Trading Platforms:** The government should encourage the growth of the Electronic National Agriculture Market (e-NAM). If more APMC markets are linked to this digital platform, farmers will have

access to a larger market and can get better prices for their crops.

3. **Promotion of Farmer Producer Organizations:** Farmers should be encouraged to form groups called Farmer Producer Organizations (FPOs). These groups give farmers more power to negotiate and sell their products together. Selling in bulk helps cut down on costs and allows farmers to get better prices.
4. **Providing Market Information to Farmers:** Farmers should get up-to-date information on market prices, what is in demand, and what is available. This helps them choose the best time and place to sell their produce, so they can earn more money.
5. **Improving Transportation and Storage Facilities:** Good transportation systems and proper storage options are important. They help farmers move their goods safely and store them for longer. This prevents spoilage and lets farmers sell when prices are high.
6. **Training and Awareness Programs:** Farmers should be trained on how to use digital tools, perform grading, and apply modern marketing techniques. Awareness programs can make them more informed and help them take full benefit of government schemes and new opportunities.
7. **Reducing the Role of Middlemen:** Farmers should be encouraged to sell directly through markets, cooperatives, or digital platforms. This reduces the need for middlemen and ensures farmers get a bigger share of the money for their products.

#### **Conclusion:**

The Agricultural Produce Market Committee (APMC) system has been instrumental in regulating agricultural markets and safeguarding farmers against unfair trade practices. Yet, the conventional system

encountered various challenges, including restricted market access, lack of transparency, poor infrastructure, and reliance on middlemen. These problems frequently affected farmers' income and weakened their ability to negotiate better prices in the market. these issues, the Government of India has launched several initiatives aimed at modernizing the agricultural marketing system. these include the Electronic National Agriculture Market (e-NAM), the promotion of Farmer Producer Organizations (FPOs), and the development of Gramin Agricultural Markets (GrAMs). These measures seek to enhance transparency, expand market reach, and offer farmers better opportunities to sell their crops. these reforms have enabled farmers to access broader markets, obtain accurate price information, and cut down on marketing costs. digital platforms and improved infrastructure have also bolstered the agricultural supply chain and fostered fair competition among buyers. Consequently, farmers now have more prospects to boost their income and enhance their economic well-being. APMC markets and the implementation of new initiatives hold significant potential to enhance farmers' income and establish a more efficient and transparent agricultural marketing system in India.

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