e-NAM Initiative

What is the issue?

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The new initiative, e-NAM, is expected to solve the problems surrounding agrarian output market.

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What are the existing problems in farmers market?

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- Competition in labour, input prices are increasing.
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- Market domination by organised traders.
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- Friction between inefficient markets for agri-output and efficient markets for their inputs.
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- Farmers must buy and sell only in the government-designated Agricultural Produce Marketing Committee (APMC) market-yards.
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What is the e-NAM?

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- The electronic National Agriculture Market (e-NAM) platform seeks to create a common national market, for enhancing farmers' access to buyers.
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- It will make price discovery and trading transparent.
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- So far, 417 mandis in 13 states have joined the e-NAM platform
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- There is a target of connecting 585 mandis with e-NAM by March 31, 2018.
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What are the advantages of e-NAM?

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- Transparent and robust electronic physical markets.
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- Greater standardisation and quality awareness.
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- Easier access of buyers by the producers.
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- Reduced price of products due to reduced costs of intermediation.
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- Open market and competitive price fixing is possible.
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- Easier taxation of agricultural income.
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How effectively e-NAM can be implemented?

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- With wide participation and perfect sync between markets and stakeholders e-NAM can be successful.
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- e-NAM authorities can work to encourage farmers to produce better quality crop and meeting exchange standards.
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- Price distribution alerts through mobile phones could serve as a reliable reference price for farmers.
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- Monitoring the warehouses for the incoming and outgoing stocks will make the initiative stronger.
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- The profiles of the farmers linked with e-NAM can be used for credibility reports by financial institutions.

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- Indian agriculture needs robust and transparent institutions for e-NAM to deliver long-term benefits.
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Source: Financial Expres

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