Shortfalls of e-NAM

What is the issue?

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e-NAM which is introduced as an online trading platform for farm commodities is lagging to attain its goals.

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What is e-Nam?

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- Electronic National Agriculture Market (eNAM), is a pan-India electronic trading portal launched by Ministry of Agriculture & Farmers' Welfare.
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- The Portal is managed by Small Farmers' Agribusiness Consortium (SFAC) appointed by the Ministry.
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- It aims to facilitate farmers, traders, buyers, exporters and processors with a common platform for trading commodities.
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- It currently links 450 APMCs (Agriculture Produce Marketing Committees) from across 13states.
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- 69 commodities including staple food grains, vegetables and fruits are currently listed in its list of commodities available for trade.
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- Traders and exporters need to get themselves registered with the portal to access its services.
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What are reasons for underperformance of e-Nam?

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- State agricultural departments have been finding it difficult to convince all stakeholders like farmers, traders and commission agents to move to the

online platform.
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- The platform is not fully functional in any State as there are no scientific sorting/grading facilities or quality testing machines.
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- Lack of technical expertise and internet facility at the State Agricultural Departments has also delayed the setting up of grading/assaying facilities.
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- The huge share of the trade recorded in the e-NAM portal was actually carried out offline and the values were fed into the portal to make it look like genuine online transactions.
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- This completely defeats the purpose as the main objective of an online auction portal is to help price discovery.
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How this can be addressed?

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- For success of e-NAM every State need to amend its APMC Act to make a provision for electronic auction as a mode of price discovery.
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- The States opting for e-NAM must introduce structural adjustments to address any inconveniences faced.
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- Rashtriya Krishi Vikas Yojana aims to link release of funds to progress in agri reforms and in implementation of e-NAM may hopefully put pressure on the States.
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Source: Business Line

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