

# PERFORMANCE EVALUATION OF E-NAMIN TELANGANA

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## ABSTRACT

*Electronic-National Agricultural Market (e-NAM) is anticipated as a pan-India electronic trading gateway, which seeks to network the existing Agriculture product market committee (APMC) and other market yards to create an integrated national market for agricultural commodities. It is a “virtual” market but it has a physical market (mandis) at the back end. The Importance of e-NAM is to facilitate the appearance of a common national market for agricultural commodities for purpose of point of sale. e- NAM build on the strength of local mandis and to allow it to offers its produce at the national level. Government of India formed it with an investment. It offers a “plug-in” to any market yard existing in a State with free of cost. e- NAM mainly increases the choice of the farmer when he brings his produce to the mandis for sale. Local traders can bid for the produce, as also traders on the electronic platform sitting in other States. The farmer may choose to accept either the local offer or the online offer. The present study will be focus on the perceptions of registered farmers towards e-NAM, comparative performance between e-NAM and physical market, performance of transparent sale transactions and price discovery in e-NAM market and to identify the problems faced by the stakeholders in e-NAM. For this research some purposive structured questionnaires and statistical tools like t-test, ANOVA, Chi-square test will be use in a convenient way. From this research, I propose to develop suggestions how to improve efficient functioning of e-NAM and solutions to the problems faced by the stakeholders.*

**Key words:** e-NAM, APMC, PLUG-IN, STAKE HOLDERS.

## INTRODUCTION

National Agriculture Market (e-NAM) Scheme is an innovative scheme launched by the Government for farmers to sell their produced goods in one common market. E-NAM (electronic-National Agriculture Market) is a pan-India electronic trading portal launched by the Ministry of Agriculture & Farmers' Welfare, Government of India, to facilitate farmers, traders, buyers' exporters and processors with a common platform for trading commodities. Farmers can sell their produced product through this e-NAM in transparent manner to sell the transactions and price discovery initially in regulated markets. It is a turning point for the agriculture community and the agriculture sector has to be look at holistically, and it is only then that maximum benefit of the farmer can be ensured. Currently it has linked with 21 mandis in 8 states and they have been linked to National Agriculture Market. As on 31 July 2017, 455 Mandis across 13 states have been integrated with e-NAM and five hundred eighty-five mandis will be added until March 2018.

In addition, this e-NAM operates through an online gateway, which is individual linked to the mandis of the States. Its software has been provided to all the willing states without cost. A knowledgeable person is being deployed for one year in every sharing mandis. So as to facilitates the smooth functioning of the portal. Under this Project, Government of India is providing a grant of Rs.30 lack to the proposed agriculture mandis of the states. The farmers are provided with “farmer helpline services round the clock” for obtaining information related to this portal. This

system has adopted mainly on the basic idea of agriculture development tree. For that, government is taking all steps to double the farmers' income in the next 5 years. Basically, this national agriculture markets running on the main concept of "one nation and one market". It is being shaped only when the farmers produce quality products or goods to reach the international standard. For that, all stakeholders should effort help to achieve this goal.

### **Objectives:**

1. To Study the theoretical framework of agricultural markets in Telangana state
2. To identify the problems faced by the stakeholders in e- NAM.

### **Hypothesis:**

**H<sub>1</sub>:** there is no significant difference between performance of e-NAM market and physical market.

**H<sub>2</sub>:** there are no problems faced by the markets in e-NAM.

### **Problem identification:**

Problem identifications are follows:

- The scheme e-NAM has framed for the benefit of the farmers who lives in villages and does not have technical skills at all.
- One of the motives of the scheme is transparent trading and fair price discovery for which there is a necessity of the mechanism framework
- This is a new scheme by the government hence it is necessary to create awareness and evaluate the performance.
- In the new system of trading, the identification of the various problems is required.

### **Conceptual Framework:**

E-NAM is a national agricultural market framed to motivate transparent and online-based agriculture trading by government of India. The scheme provides mandis for every state in the country. The market is controlled by agricultural product market committee (APMC) framed the respective state. E-NAM is a "virtual" market but it has the physical market (mandis) at the back end. The data for this study will be collect directly from the multiple stakeholders of this scheme in selected mandis of Telangana state by preparing a structured questionnaire to find the perception of the farmers regarding the scheme. In addition, t-test will be use to find the performance comparison between the virtual and physical market. Moreover, other statistical tools will be use according to the necessity and requirement of the research process.

### **Need for the study:**

Since the scheme, e-NAM has framed for the benefit of the farmers who lives in villages and does not have technical skills at all. There is a need to identify the problems in that perspective and to evaluate the performance of the e-NAM by comparing the existing market practices.

Since this is a new scheme by the Government, it is necessary to create awareness and evaluate the performance as well because there are few researches on this subject.

### **Review of Literature:**

**Pradeep Kashyap, Siddhartha Raut (2010)** this book is India's most comprehensive book on rural marketing theory and the rural mindset, with practical examples of products and cases that actually succeeded in the rural marketplace. The book has „Inside Out“ practical approach to application of market theory in the rural background. It evolves the framework of rural marketing in the rural environment. It has covered the topics like modernization in Rural Marketing, The Future of Rural Marketing, Information Technology, consumer finance and non-conventional media in

rural India. The authors have shared actual experience and contemporary case studies and projects like Project Shakti, e-choupal, large format retail store and more. There are 100 practical case lets, 50 latest data tables.

**Gadara (2006)** in his study described that the positive trend of economic liberalization and associated opening up of Indian economy have extensively reduced the structural rigidities in the system, this trend should be principle of India's future agricultural reform. Agricultural business has come under strong and direct influence of international market. Indian farmers have to produce quality goods to meet the international standards.

**Jairath, M. S. (2004)** the research studies revealed that farmers on an average gets 8 to 10 per cent higher price and higher share in the consumer's rupee by selling their produce in the regulated markets compared to rural, village and unregulated wholesale markets. The benefits got by the farmers by sale of agricultural produce in the regulated market varies from area to area because of the variation in the spread of regulated markets over the regions and the existence of essential infrastructural amenities/ facilities in these regulated markets.

**Kashyap and Raut (2006)** in their paper suggested that, marketers require to design creative solutions like e marketing to overcome challenges typical of the rural environment such as physical distribution, channel management promotion and communication. The "anytime-anywhere" advantage of e-marketing leads to efficient price discovery, offers economy of transaction for trading and more transparent and competitive surroundings.

**Kong et al. (2004)** developed a prototype system, named E-Union, which utilizes web-based technologies, to provide information sharing among structure material e-commerce systems. The E-Union can link collectively to relevant e-commerce systems so; communication and information can be communal easily. In the E-Union structure, different construction material e-commerce websites are joined together. Buyers are capable to use one of e-commerce websites not only to obtain material information from this site but also material information stored in other sites.

**Pathak (2009)** in his research paper stated that the contribution of agriculture in growth of a nation is constituted by the growth of the products within the sector itself as well as the agricultural development permits the other sectors to develop by the goods produced in the domestic and international market.

**Ramkishan (2004)** in his research paper argued that because of the lack of food processing and storage, the grower is disadvantaged of a good price for his produce during the peak marketing season while the consumer unnecessarily pays a higher price during lean season.

**Reardon and Barret (2000)** in their study recommend that when market reforms the commodity prices raise, stimulating an increase in production, particularly of the export crops. The rise in price facilitates the establishment of super market chains, cooperatives, export-oriented schemes, processing zones and general motivation of Agro industrialization in developing countries.

**Sivanappan (2000)** in his study stated that, with reconstruction of existing post-harvest processing, establishment of suitable infrastructural services, huge amount of countries exchequer can be saved and additional helps in feeding the teeming population in the country.

**S.S. Acharya and N.L. Agarwal (2008)** the book defines Agricultural Marketing as comprising of all activities involved in supply of farm inputs to the farmers and movement of agricultural products

from farm to the customers. It includes assessment of demand and supply of farm- inputs, post-harvest handling of farm- products, and performance of transportation activities and public policies of pricing, handling, purchasing and selling of agricultural products. It has also described about agricultural marketing and economic development, government role in agricultural marketing, cooperative societies in agricultural marketing and training & research in agricultural marketing.

### **What is the progress made by e-NAM:**

The worth of Rs 91,000 crore of agricultural products have been traded through the eNAM platform and the figure is expected to reach Rs 1 lakh crore soon. Currently, 585 mandis in 16 states and 2 UTs have been integrated on the platform. 415 mandis will soon be integrated into eNAM. More than 1.65 crore farmers and 1.27 lakh registered traders. What are the advantages of eNAM?

#### **For Mandis:**

A reduction in bookkeeping and reporting system as they are now generated automatically. Better monitoring and regulation of traders and commission agents A completely transparent system that eliminates scope for intentional or unintentional manipulation of tendering/auctioning process as tendering/auctioning process takes place through e-NAM, manpower requirement is reduced It can be used to forecast the arrivals and prices Availability of the activities of each APMCs is on the government website.

#### **For Farmers:**

E-NAM provides improved and increased options for selling produce, leading to fair competition within the market. It allows farmers to have access to the national-level market with prices based on the quality of their produce It provides higher returns for farmers.

#### **For other parties:**

E-NAM provides access to larger national markets for secondary trading buyers, processors and exporters Bulk buyers, processors, exporters etc., can participate directly in trading at the local mandi level, thereby reducing their intermediation costs. Transaction costs are also reduced for the buyers Consumers are provided with a better quality of produce at more reasonable prices

#### **Other benefits:**

E-NAM provides uniformity and streamlining of procedures across the nation It removes information differences between buyers and sellers by providing real-time price estimates based on the demand and supply It provides for transparent auctioning It facilitates integrated value chains in major agricultural commodities across the country and helps to promote scientific storage and movement of Agri commodities.

### **What are the challenges faced by e-NAM?**

Governments are facing difficulty in convincing all the stakeholders like farmers, traders etc., move to the online platform In Maharashtra, Haryana and Bihar, it is found that any reform in APMC system is facing stiff resistance from traders. Though the government claims that around 1 crore farmers are using the e-NAM platform, the ground reports suggest that most of the transactions recorded on e-NAM were conducted through the old system and that a single market for the nation is still not a reality.

### **What are new features added to the e-NAM:**

The government has recently launched new features in the e-NAM platform to strengthen agriculture marketing by farmers to reduce their need to physically come to wholesale mandis for selling their harvested produce These reforms come amid the increasing need to decongest mandis to effectively fight against COVID-19.

## Conclusion:

e-NAM has a huge potential to increase the farmer's income and prevent exploitation by middlemen. To realize this, it is necessary to undertake reforms to ensure transparency and cost-efficiency of the mechanism is achieved. Practice question for mains: What are the issues faced by e-NAM? What are the reforms that need to be taken to ensure that its full potential is utilized by all parties involved? Since the government has taken the decision to make the farmers to do e marketing under the scheme e-NAM, which was launched on 14<sup>th</sup> April, 2016. It is highly relevant and essential to know the performance evaluation of e-NAM.

This study will provide a comprehensive mechanism of the scheme. It also focuses on the comparative analysis between e-NAM and the offline market practices. This study will find the possible problems to access the scheme and will contribute suitable solutions. It can be said that the future is very promising for those who can understand the dynamics of e-NAM services and exploit them to their best advantage. The people want those services, which are long lasting, good, easy to use and cheaper. At last, my study will have conclusions on the farmer's problems relating to price discovery, technical issues relating to electronic platform and grievances faced by the farmers and how the authorities can to solve the grievances.

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