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## E-NAM

*This article covers "Daily Current Affairs" and the topic details "e-NAM". The topic "e-NAM" has relevance in the Agriculture section of the UPSC CSE exam.*

### **Relevance:**

#### **For Prelims:**

*What is e-NAM?*

#### **For Mains:**

*GS 3: Agriculture*

*Key Features and Components of e-NAM?*

*Benefits of e-NAM?*

*Challenges and the Way Forward?*

### **What is e-NAM:**

- e-NAM, which stands for Electronic National Agricultural Market, is an online trading platform developed by the Government of India to facilitate transparent and efficient agricultural trade across the country. It was launched in April 2016 as part of the government's efforts to modernize agricultural marketing and ensure better price realization for farmers.
- e-NAM aims to create a unified national market for agricultural commodities by integrating existing physical wholesale markets (known as Agricultural Produce Market Committees or APMCs) through an online platform. It enables farmers to sell their produce directly to buyers, including traders, processors, exporters, and retailers, without the need for intermediaries. This helps in eliminating multiple layers of intermediaries, reducing transaction costs, and ensuring fair prices for farmers.

### **Key Features and Components of e-NAM:**

- **Online Trading Platform:** e-NAM provides a digital marketplace where farmers can list their produce for sale, and buyers can bid for the commodities. The platform offers transparent price discovery and efficient trading mechanisms.
- **Single License Across States:** Under e-NAM, farmers are issued a single trading license that is valid across all the e-NAM mandis (markets) in the country. This reduces the administrative burden on farmers and promotes ease of doing business.
- **Warehouse-based Trading:** e-NAM allows farmers to sell their produce from their own farm premises or designated warehouses. This flexibility enables farmers to choose the most convenient location for trading and reduces transportation costs.
- **Quality Testing and Grading:** The e-NAM platform provides facilities for quality testing and grading of agricultural commodities. This ensures that buyers have access to standardized and quality produce.
- **Payment and Settlement:** e-NAM facilitates seamless online payment and settlement between buyers and farmers, ensuring timely and secure transactions.

### **Benefits of e-NAM:**

- **Transparent and Competitive Prices:** e-NAM promotes price discovery through a competitive bidding process, ensuring that farmers receive fair prices for their produce. The transparent trading platform reduces information asymmetry and empowers farmers to make informed decisions.
- **Direct Farmer-Buyer Interaction:** e-NAM enables direct communication and negotiation between farmers and buyers, eliminating the need for intermediaries. This allows farmers to establish direct market linkages and negotiate better terms.
- **Access to Wider Markets:** Through e-NAM, farmers gain access to a broader customer base beyond their local mandis. This opens up opportunities for selling their produce to buyers from different states and regions, thereby expanding market reach.
- **Reduced Transaction Costs:** By eliminating intermediaries and streamlining the trading process, e-NAM reduces transaction costs associated with agricultural marketing. This benefits both farmers and buyers by improving cost efficiencies.
- **Technology-enabled Services:** e-NAM leverages technology to provide services such as real-time price information, weather updates, and market trends to farmers. This empowers farmers with valuable information for making informed decisions regarding crop selection, pricing, and marketing strategies.

### **Challenges and the Way Forward:**

Despite its potential, the adoption and effectiveness of e-NAM have faced certain challenges. These include limited awareness and participation among farmers, inadequate infrastructure in some mandis, resistance from intermediaries, and connectivity issues in remote areas. To address these challenges, the government needs to focus on:

- **Awareness and Training:** Conducting awareness campaigns and providing training to farmers about the benefits and usage of e-NAM can encourage wider participation and enhance adoption.
- **Infrastructure Development:** Upgrading physical infrastructure, including mandis and warehouses, and ensuring reliable internet connectivity in all mandis are essential for the smooth functioning of e-NAM.
- **Stakeholder Engagement:** Engaging with stakeholders, including farmers, traders, and APMC officials, to address their concerns and ensure their active participation in the e-NAM platform is crucial.
- **Integration with Ancillary Services:** Integrating e-NAM with other agricultural services such as warehousing, logistics, and financing can further enhance the efficiency and value proposition of the platform.

In conclusion, e-NAM is a transformative initiative that aims to revolutionize agricultural marketing in India. By leveraging technology and providing a transparent trading platform, it has the potential to empower farmers, enhance price realization, and create a more efficient and inclusive agricultural market system. However, concerted efforts are needed to overcome the challenges and ensure the widespread adoption and success of e-NAM in benefiting farmers and the agricultural sector as a whole.

### **Source:**

<https://www.financialexpress.com/economy/farm-trade-begins-to-shift-away-from-apmc-mandis-thriving-trade-on-e-nam-does-what-farm-laws-couldnt/3134670/>

### **Q.1 Consider the following statements regarding e-NAM (Electronic National Agricultural Market):**

1. e-NAM is an online trading platform developed by the Government of India to facilitate agricultural trade across the country.
2. It aims to integrate physical wholesale markets (APMCs) through an online platform to create a unified national market for agricultural commodities.
3. Under e-NAM, farmers are issued separate trading licenses for each e-NAM mandi they wish to trade in.
4. e-NAM provides facilities for quality testing and grading of agricultural commodities to ensure standardized and quality produce.

5. The primary objective of e-NAM is to increase the number of intermediaries in agricultural trade and improve their profitability.

**Which of the statements given above is/are correct?**

- (A) 1 and 2 only
- (B) 2, 3, and 4 only
- (C) 1, 3, and 5 only
- (D) 1, 2, 4, and 5 only

**Answer: (A)**

**Q.2 Which of the following is an initiative of the Government of India to modernize agricultural marketing and ensure better price realization for farmers?**

- (a) e-NAM
- (b) FCI
- (c) PM-KISAN
- (d) MGNREGA

**Answer: (a)**

**Q.3 Discuss the significance and challenges of the Electronic National Agricultural Market (e-NAM) in transforming agricultural marketing in India. How can the government address the challenges to ensure the widespread adoption and success of e-NAM for the benefit of farmers and the agricultural sector?**

**Rishabh**

