Agriculture ministry gears up to start trade via e-NAM among seven states

By Madhvi Sally, ET Bureau | Nov 07, 2018

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NEW DELHI: The agriculture ministry will, in the next two months, run a pilot project for interstate mandi trade through the electronic National Agriculture Market (e-NAM). This will enable a trader with a unified licence from one state to bid online for and procure commodities from another state, government officials said.

Currently, seven states — Uttar Pradesh, Madhya Pradesh, Maharashtra, Gujarat, Andhra Pradesh, Telangana and Uttarakhand — are working on the modalities to establish interstate trade.

"Plans are afoot to enable trade among states' agriculture markets to enhance transparency in the sale and purchase of agricultural output. It enhances competition among the trade and leads to better prices for farmers," said Sumanta Chaudhuri, managing director of the Small Farmers' Agriculture Consortium, the implementation agency for the e-NAM project.

Trade in 585 mandis is currently happening on the electronic network, which helps discover price real time in a transparent manner. The government aims at integrating 200 mandis this year and another 215 next year with the e-NAM platform. There are about 2,700 APMC mandis and 4,000 sub-market yards in India.

Officials in the agriculture ministry said the Uttar Pradesh government was exploring giving state trading licences to traders from other states. For this, it wants the authorities in the applicant's state to provide the legal documents.

There are also discussions ongoing among officials of the agriculture ministry, SFAC and state mandis on how to settle disputes. "In the pilot stage, the dispute has to be settled by the mandi of origin where the trade is going to be executed," said an executive of Nagarjuna Fertilizers & Chemicals, which is responsible for the development, operation and maintenance of the e-NAM platform.

"Logistics provider's information is also being provided to traders from outside the state which will facilitate transportation of goods and commodities. Also, we are investing in machines to grade the quality of the produce depending on the size, colour, dust particles,

moisture level and other parameters to help them in making a decision," said the Nagarjuna executive.

However, trade executives remain apprehensive as they feel they would have to physically see the commodity before they trade. Traders also said they would have to make online payment to farmers the same day of trade, against 7-15 days' credit they currently get from commission agents who make the payment to farmers. They are also worried about the mechanism for settlement of disputes, such as the jurisdiction in the event of a court case.

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