

Agricultural Marketing in India: Major Reforms

Soumya C¹, K. P. Thakar², M. R. Prajapati³, Ashok Patel⁴

¹Assistant Professor, ²Associate Professor, ³Dean, ⁴Vice Chancellor,

S. D. Agricultural University, Sardarkrushinagar, Gujarat, India

Corresponding Author: E – mail id: soumyachozhiyengal@gmail.com

ABSTRACT

India is a country blessed with abundant natural resources. Majority of the population in India is dependent upon agriculture for its livelihood. Agriculture contributes about 16 percent to GDP of the country at current prices and provides employment to more than 50 percent of population of the country. Agricultural marketing involves the movement of goods and services from farm to the end consumer. Agricultural marketing plays an important role in increasing the farmer's income. In India, agricultural marketing over the years have become complex, dynamic and competitive. Today, agricultural marketing has become more consumer oriented and the farmers and middlemen involved in the marketing chains are now producing and moving the produce according to the consumer's requirements. The agricultural marketing in the modern era is faced with many challenges. Inadequate market information and non-availability of market information at proper time to the farmers, lack of grading and standardization facilities, presence of large number of middlemen, lack of storage facilities, non-availability of adequate institutional credit, malpractices in the market etc are the important challenges faced by the agricultural marketing in India. To address these challenges, Government over the years have introduced many reforms. The major reforms are Model APMC Act 2003, direct marketing, contract farming, Producers Co – operatives, Model State/ UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017, Operation Green, GrAMs, Farmer Producer Organisations, enhanced coverage of Future Markets, Price Stabilization Fund etc. With these reforms the farmer's income was increased and greater efficiency was achieved in agricultural marketing. This paper highlights the challenges in agricultural marketing, major reforms that have taken place in agricultural marketing in India and the ways in which it has benefitted the different stakeholders involved in the agricultural marketing. This paper also examines the constraints in the present system of agricultural marketing and the need for improvement in the present system.

Key words: Agricultural marketing, Challenges, Reforms, Constraints, Efficient

INTRODUCTION

India is a country blessed with abundant natural resources. India has a vast area of arable land which is delineated into diverse agro – climatic zones. Majority of the population in India is dependent upon agriculture for their livelihood. Agriculture contributes about 16 percent to GDP of the country at current prices and provides employment to more than 50 percent of population of the country. Even after these facts, majority of the people involved in agriculture in India are poor. Most of the farmers in India are marginal and small farmers who don't possess much bargaining power. The farms in India are scattered in different parts of India and the agro – ecological conditions and resources of each of them are different with the others. These factors make more difficult for the farmers to get access to the real time information thus hampering them from getting higher prices for

their produce. The middlemen exploit this situation and makes higher profits which lowers the farmers share in consumer's rupee. The middlemen are a critical link in the agricultural marketing because he makes up for the lack of infrastructure i.e., physical, social and institutional infrastructure which are faced by the farmers.

Agricultural marketing involves the movement of goods and services from farm to the end consumer. Agricultural marketing assumes significance not only to meet the food and nutrition needs of the country, but also to support the growth of the economy as a whole (Acharya & Agarwal, 2011). In India, agricultural marketing over the years have become complex, dynamic and competitive. Today, agricultural marketing has become more consumer oriented and the farmers and the middlemen involved in the marketing chains are now producing and moving the produce according

to the consumer's requirements. In India, agricultural sector has come up with many reforms in the agricultural sector.

Challenges Faced by Agricultural Marketing

The agricultural marketing in the modern era is faced with many challenges. The most important challenge is the inadequate market information and non-availability of market information at proper time to the farmers. This prevents the farmers from getting higher prices by selling the produce in other markets where prices are high. Another important challenge faced by the farmers is the lack of grading and standardization facilities in the market. Lack of these facilities hinder the sale of their produce in international markets where graded and standardised produce are preferred. Other countries who have these facilities take advantage of this situation and sell their produce in the international markets thus earning higher incomes. Large number of middlemen present in the agricultural markets pose a serious problem to the farmers. These middlemen exploit the farmers who doesn't have market information with them and earns a huge profit leaving a low farmer's share in the consumer's rupee. The storage facilities available to the farmers are very less in India which is of a serious concern. Because of this, the farmers during the harvest time are unable to store their produce and thus are forced to sell their produce at very low price. The warehouses also don't have proper storage facilities which make the produce deteriorated by environmental conditions, pests etc. thus decreasing their value. Adequate institutional credit facilities are also not available for the farmers for marketing their produce. Therefore, farmers sell their produce to the traders from whom they have taken credit and receive a very low price. Today also many malpractices are prevalent in most of the unregulated markets. These malpractices increase the cost of marketing which ultimately reduces the price received by the farmer and increases the price which the consumers have to pay for the produce (C. Elamathi, 2013).

There is a need for efficient agricultural marketing system to protect the rights of farmers, middlemen and consumers. Farmers should get higher share in the consumer's rupee while the consumers should be able to get their produce at a very reasonable price. Middlemen should get profit from the marketing.

Many reforms have been introduced by various Governments to address these challenges. They are as follows:

Major Reforms in Agricultural Marketing

1. APMC (Agricultural Produce Market Committees)

The main objective of setting up of APMC's was to protect the farmers from exploitation of traders and to create a place for trading of farm produce where farmers and buyers can meet. The APMC's also focussed on creation of infrastructural facilities like storage godowns, amenities for the farmers coming into the market like drinking water, cattle shed etc. Later regulated markets were established. APMC's provide the legal support to the farmers. In case of any complaints, market committees were there to solve the problems.

The problem within the APMC system was that farmer comes under a certain notified market area were compelled to sell their produce in the designated APMC itself which hindered them from selling in another market where it is profitable. The traders in the APMC's formed the cartels which prevented other buyers from entering the market. APMC's also failed in creating better infrastructural facilities like storage facilities. The farmers who produced fruits and vegetables were unable to sell in the markets created by APMC's. As a result, most of the farmers started to sell outside the markets of APMC's where they get nearly about the same prices (Agriculture Marketing An Overview and Way Forward, 2017).

Model APMC Act, 2003

Model APMC Act was proposed by Ministry of Agriculture, Government of India in the

year 2003. It proposed various modifications to the existing laws. According to the Economic Survey of 2014-15, the Model APMC Act of 2003 has provisions for:

- (1) Direct sale of farm produce to the sponsors of contract farming.
- (2) Establishment of special markets for specified agricultural commodities such as perishables.
- (3) Establishment of new markets for agricultural produce by farmers, consumers, or private persons in any area.
- (4) Registration of market functionaries instead of licensing, which facilitates them to operate in the entire state.
- (5) Single levy of market fee in the entire notified area.
- (6) Establishment of producers' or consumers' markets to facilitate direct sale and purchase of agricultural produce.
- (7) Investment of revenue earned by APMC for market infrastructure.

This model act was not implemented by all states. The states modified the laws according to their preferences.

2. Price Stabilisation Fund

Price stabilisation fund was set up in 2014-15 under the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW) to decrease the price volatility of important agricultural commodities like onion, potatoes and pulses were also added subsequently. Under this scheme, the commodities were buffer stored and they were released when prices become very high to regulate the prices. Under this scheme, for the buffer stock the commodities were directly purchased from the farmers, thus ensuring them higher income. This scheme discourages hoarding of commodities and unscrupulous speculation ensuring a reasonable price to the consumer (Press Information Bureau, 2017).

3. Direct marketing

This enables the direct contact between farmers and consumers which help the farmers to know the consumer choices and they can produce as per the consumers. This model eliminates the middlemen thus reducing the marketing cost and increasing the margin received by the farmer. This model has been successful in Punjab and Haryana (Apmmandis), Andhra Pradesh (Rythu bazar) and Tamilnadu (Uzhavar Santhaigal). There is need for more such direct marketing models to come up in different states of the country to increase the farmer's income.

4. Contract farming

Contract farming is defined as an agreement between firms and producers to supply the produce to firms at a predetermined price. This will help the farmers to get higher stable prices avoiding the violent price fluctuations in the market. Firms are benefitted by getting the desirable quality produce at a reasonable price from the farmer directly avoiding the competition in the market. The farmers are given technical support, inputs and credit by the firms which help them to produce quality product thus helping them to get higher prices. Pepsi Co. in tomato, Appachi Cotton Company (ACC) in cotton are the successful models of this. Contract farming should be promoted among the farmers to protect them from the violent fluctuations of prices which is the main reason of the poor financial condition of our farmers. The problem of contract farming is that there is no efficient legal framework for this in India. There should be an efficient legal framework to protect the rights of both farmers and firms so that this model gets widely accepted in all parts of the country.

5. Producers Co - operatives

Producers co - operative is another important marketing reform introduced by Government to overcome the challenges in the agricultural marketing. Producers co - operatives are the co - operative organisations formed by group of producer farmers who come together to help

themselves. Producers co - operatives help the producers to procure the inputs at lower cost and help them in marketing their produce at lower cost. Through producers co - operatives marketing costs are reduced and higher margins are received by the farmers. Producer's co - operatives function by economies of scale. AMUL in Gujarat is a successful example of this model. Mainly, the marginal and small farmers are benefitting by this model.

6. Model State/UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017

There was no uniformity in the reforms in agricultural marketing across the states. Therefore, to maintain a uniformity in the reforms in agricultural marketing all over the country "Model State/UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017" was proposed. The important provisions of the draft model Act are:

- (1) The entire State would be treated as a single market, doing away with the earlier notified area for an APMC
- (2) The Market Committee and State Agricultural Marketing Board would be fully democratized
- (3) Enhancing competition for the farmers produce by providing conditions for creation of private wholesale markets and farmer-consumer market yards
- (4) Reducing price spread by enabling direct contact between farmers and consumers or other end-user categories such as processors, exporters and so on
- (5) Freedom to the farmer to sell his produce to any person or agency at any place of his choice which may fetch him better returns
- (6) Declaration of warehouses, silos and other storage structures as markets or sub-market yards to enable direct linkage between the farmer and the buyer

- (7) Promoting e-trading to link markets across geographies and make trade process transparent
- (8) Single-point levy of market fee and single trading license across the state
- (9) Create conducive conditions such as inter-state trading license, grading, standardization, and quality certification for promoting a nation-wide, single agricultural market

Some features of the Model APMC Act 2003 like provisions for special commodity market yard, rationalization of market fees and commission charges, etc. are retained (Agriculture Marketing An Overview and Way Forward, 2017).

7. e-NAM

e- NAM is a major agricultural marketing reform introduced by the Government. The proposal of e- NAM has been made after the success of Rashtriya e-Market Services (ReMS), an initiative of Karnataka State Agricultural Marketing Board with National e-Markets Limited (NeML), erstwhile National Commodity and Derivatives Exchange (NCDEX) Spot Exchange.

e - NAM was announced on July 1, 2015 and this aimed in the setting up of a common e - platform in 585 selected wholesale regulated markets across the country by March 2018. e - NAM aims to integrate all the agricultural markets of the country into a common national market in which agricultural commodities will flow between the states without any interruption.

The features of e - NAM are:

- (1) A national e - market platform for transparent sale transactions and price discovery in regulated markets, kisan mandis, warehouses and private markets. Willing states to accordingly enact provision for e - trading in their APMC act.
- (2) Liberal licensing of traders/ buyers and commission agents by state authorities

without any pre – condition of physical presence or possession of shop premises in the market yard.

- (3) One license for a trader valid across all markets in the state.
- (4) Harmonization of quality standards of agricultural produce and provisions of assaying (quality testing) infrastructure in every market to enable information bidding by buyers.
- (5) Restriction of APMC jurisdiction to within the APC market yard/ sub yard of a geographical area (the market area at present).
- (6) Single point levy of market fees i. e. in the first wholesale purchase from the farmer.

The states/ Uts who have fulfilled the following three conditions are eligible for trading under e – NAM.

- a. A single license to be valid across the state
- b. Single point levy of market fee
- c. Provision for electronic auction as mode for price discovery.

Union Agriculture Ministry on February 2018 launched six new features of e – NAM platform with an aim to make it more users friendly.

- (1) e – NAM mobile app
- (2) BHIM payment facility
- (3) New and improved website with eLearning MODULE
- (4) MIS dashboard
- (5) Grievance Redressal Management System
- (6) Integration with Farmer Database (Kalamkar, 2017).

e – NAM is a game changer in the field of agricultural marketing. e – NAM will increase the efficiency of agricultural markets across the country. Through this reform, the competitiveness of our

markets will increase. e – NAM will eliminate the cartels of traders and thus will increase the farmer's share in consumer's rupee. Consumers will get produce at a reasonable price and the price spread between different states will also get reduce through this. Better price realisation for farmers will serve as an important incentive for raising productivity and production, and in turn lead to higher growth of output. In many states, farm harvest prices prevail below the minimum support price (MSP) in the harvest period and shoot up subsequently. e-NAM will help check such market imperfections. Some states like Punjab and Haryana desperately need diversification in crop pattern away from paddy-wheat rotation. However, this has not been happening due to unattractive market for alternative crops. e-NAM is expected to promote market- driven diversification and reduce dependence of farmers in these states on MSP and public procurement (Chand, 2016).

8. Operation Green

Operation Green announced in 2018-19 is the scheme which is intended to increase the production of tomato, onion and potatoes. This scheme will also help in making these vegetables available to the consumers at affordable prices. This scheme is launched on the lines of Operation Flood. This scheme will help in controlling the violent fluctuations in prices of tomato, onion and potatoes thereby helping the farmers in getting a stable income. The Operation Green aims to promote farmer producers organisations, agri – logistics, processing facilities and professional management. A total of Rs. 500 crore has been allocated for this scheme by Government in the union budget of 2018-19 (Gulati and Juneja, 2018).

9. GrAMs

Gramin Agricultural Markets (GrAMs) are village level markets. Government of India aims to develop and upgrade existing 22, 000 rural haats into Gramin Agricultural Markets (GrAMs). Most of the farmers of India who are marginal and small farmers are unable to sell their produce in APMCs

and other wholesale markets. GrAMs which will be electronically linked to e – NAM and exempted from the regulations of APMCs will help these farmers by providing them provisions for direct sale to consumers and bulk purchasers (Bansal, 2018).

10. Farmer Producer Organizations (FPO's)

Farmer Producer Organizations are jointly formed by producers especially marginal and small farmers with an aim to address the challenges faced by them in agriculture like access to inputs and markets, credit availability, technology etc. FPO's help the farmers in getting inputs, credit, technology *etc* at a very low cost due to economies of scale and this also help the farmers in getting access to the market easily. Department of Agriculture and Cooperation under Ministry of Agriculture, Govt. of India has identified 'Farmer Producer Organizations' registered under the special provisions of the Companies Act, 1956 as the most appropriate institutional form around which the mobilization of farmers is to be made for building their capacity to collectively leverage their production and marketing strength. The ownership of the FPO is with its members. It is an organization of the producers, by the producers and for the producers. The essential features of FPO's are: a. It is formed by a group of producers for either farm or non-farm activities; b. It is a registered body and a legal entity; c. Producers are shareholders in the organization; d. It deals with business activities related to the primary produce/product; e. It works for the benefit of the member producers; f. A part of the profit is shared amongst the producers; and g. Rest of the surplus is added to its owned funds for business expansion, according to NABARD (The Hans India, 2018).

11. Enhanced coverage of Future Markets

Future markets play a significant role in price discovery in spot markets. In India, there is a high imbalance in price received by the farmer in different places for the same commodity. At some places, a commodity fetches a very high price while at some other places farmers are compelled to go for

distress sales in the same commodity. This is due to the middlemen taking advantage of the farmer's condition. For avoiding this problem, derivatives market is a very good option. Therefore, Government is focussing on enhanced coverage of future markets to different commodities in India. There are over 20 commodity exchanges in India trading in 42 commodities by the year 2002.

Future trading in India also faces some challenges. In India there continues to be several misconceptions on the role of the derivatives market. Many important commodities are currently not being traded on futures. Barring a few commodities, the Indian futures market lacks liquidity. This makes the market vulnerable to manipulation on account of extremely low participation. Moreover, the prices of several commodities that are actively traded on futures platforms (such as soyabean, cotton, wheat) are driven more by international supply and demand considerations. A vibrant liquid futures market would provide the reference point for operating in the spot market and lead to genuine price discovery. This could be a boon to the farming community, which can then take sowing decisions based on the futures prices (Kaul, 2017).

Constraints in the Present System of Agricultural Marketing

In the present system of agricultural marketing many constraints are there. There is need to remove these constraints to achieve an efficient agricultural marketing in the country. Majority of the farmers and traders don't possess knowledge about e – NAM and how trading take place through this. Therefore, APMCs should focus on the educating farmers and traders about e – NAM through audio visual aids, demonstration classes etc. The markets under APMC's lacks good storage facilities. If the produce didn't get auctioned on the same day, there will be a problem for farmer to store the produce. Harmonization of quality standards of agricultural produce and provisions of assaying (quality testing) infrastructure in every market to enable information

bidding by buyers is required. Disseminating this information with the market participants is required (Yadav, 2017). e- NAM is required to work for the inclusion of farming communities and farm operations into other segments of the marketing chain like storage, logistics so that it will help capture a larger share of the final value realised. A wide correlation between value chains of the producer, market channels, retailer and consumer is required to be developed. Integration of value chain system, also includes secondary activities such as research, development, front-line demo, extension work, market information. (DAC 2017). The auction will take time compared to the previous system and the settling of payments will also be time consuming. This is discouraging for the farmers. Farmers usually get money in advance from the traders for the cultivation of crops. After the harvest the produce is sold to them and the money after deducting their debt is paid to the farmers. If the farmers go for e - NAM, they will not get money from the traders in advance. Therefore, there is a need for institutional credit agencies to supply the credit to the marginal and small farmers more. The physical verification of the produce by traders is not possible in e- NAM. The traders are reluctant to buy the produce without physical verification even though the quality parameters are conveyed to them through the portal. The APMC's have to focus on building the trust of traders that the quality parameters given through the portal are true. Most of the farmers who are marginal and small who have less bargaining power prefer to sell their produce in their nearby market since taking their produce for trading through e- NAM is time consuming and these markets are located mostly away from the villages. The produce of small and marginal farmers are of small quantities and how this produce will be transacted through e - NAM is not known till now. There is lack of infrastructure, i. e. grading facilities, internet speed etc in the markets. There is lack of skilled manpower also which is required for the conversion of physical produce to the electronic form which is another main constraint in e - NAM.

Trading of agriculture produce is not assigned HSSN code which makes it difficult for uploading the trade details for tax purpose (Kalamkar, 2017). e - NAM didn't have provisions of direct sale by farmers to buyers, processors, or, contract marketing without bringing produce to mandi. It also didn't emphasise on the establishment of private markets with treatment at par with APMC. In e- NAM also legal barriers to entry of organised and modern capital and investments into agricultural marketing is there and they have to be removed to increase the competitiveness of agricultural markets. The rationalisation of market fee, commission charges, cess and taxes and development charges has not been done till now (Chand, 2016).

CONCLUSIONS

- The most important challenge faced by the agricultural marketing is the inadequate market information and non- availability of market information at proper time to the farmers.
- Another important challenge faced by the farmers is the lack of grading and standardization facilities in the market.
- Large number of middlemen present in the agricultural markets pose a serious problem to the farmers. These middlemen exploit the farmers who doesn't have market information with them and earns a huge profit leaving a low farmer's share in the consumer's rupee.
- The storage facilities available to the farmers are very less in India which is of a serious concern.
- Adequate institutional credit facilities are also not available for the farmers for marketing their produce.
- The malpractices existing in the markets increase the cost of marketing which ultimately reduces the price received by the farmer and increases the price which the consumers have to pay for the produce.
- The main objective of setting up of APMC's was to protect the farmers from exploitation of

- traders and to create a place for trading of farm produce where farmers and buyers can meet.
- The problem within the APMC system was that farmer comes under a certain notified market area were compelled to sell their produce in the designated APMC itself which hindered them from selling in another market where it is profitable.
 - The traders in the APMC's formed the cartels which prevented other buyers from entering the market.
 - APMC's also failed in creating better infrastructural facilities like storage facilities.
 - The farmers who produced fruits and vegetables were unable to sell in the markets created by APMC's.
 - The Model APMC Act of 2003 has provisions for direct sale of farm produce to the sponsors of contract farming, establishment of special markets for specified agricultural commodities such as perishables and for agricultural produce by farmers, consumers, or private persons in any area, registration of market functionaries instead of licensing, which facilitates them to operate in the entire state, single levy of market fee in the entire notified area, establishment of producers' or consumers' markets to facilitate direct sale and purchase of agricultural produce and investment of revenue earned by APMC for market infrastructure.
 - Price stabilisation fund was set up to decrease the price volatility of important agricultural commodities like onion, potatoes and pulses were also added subsequently. Under this scheme, the commodities were buffer stored and they were released when prices become very high to regulate the prices (Press Information Bureau, 2017).
 - Direct marketing enables the direct contact between farmers and consumers which help the farmers to know the consumer choices and they can produce as per the consumers.
 - Direct marketing eliminates the middlemen thus reducing the marketing cost and increasing the margin received by the farmer.
 - Contract farming will help the farmers to get higher stable prices avoiding the violent price fluctuations in the market. Firms are benefitted by getting the desirable quality produce at a reasonable price from the farmer directly avoiding the competition in the market.
 - The problem of contract farming is that there is no efficient legal framework to protect the rights of both farmers and firms in India.
 - Producers co – operatives are the co – operative organisations formed by group of producer farmers who come together to help themselves. Producers co – operatives help the producers to procure the inputs at lower cost and help them in marketing their produce at lower cost.
 - The important provisions of the “Model State/UT Agricultural Produce and Livestock Marketing (Promotion & Facilitation) Act, 2017” are the entire State would be treated as a single market, doing away with the earlier notified area for an APMC, the Market Committee and State Agricultural Marketing Board would be fully democratized, enhancing competition for the farmers produce by providing conditions for creation of private wholesale markets and farmer-consumer market yards, reducing price spread by enabling direct contact between farmers and consumers or other end-user categories such as processors, exporters and so on, freedom to the farmer to sell his produce to any person or agency at any place of his choice which may fetch him better returns, declaration of warehouses, silos and other storage structures as markets or sub-market yards to enable direct linkage between the farmer and the buyers, promoting e-trading to link markets across geographies and make trade process transparent, single-point levy of market fee and single trading license across the state, create conducive conditions such as inter-state trading

license, grading, standardization, quality certification for promoting a nation-wide and single agricultural market.

- e - NAM aims to integrate all the agricultural markets of the country into a common national market in which agricultural commodities will flow between the states without any interruption.
- e - NAM will eliminate the cartels of traders and thus will increase the farmer's share in consumer's rupee. Consumers will get produce at a reasonable price and the price spread between different states will also get reduce through this.
- e-NAM is expected to promote market- driven diversification and reduce dependence of farmers in these states on MSP and public procurement. (Chand, 2016).
- Operation Green is the scheme which is intended to increase the production of tomato, onion and potatoes. This scheme will also help in making these vegetables available to the consumers at affordable prices. This scheme will help in controlling the violent fluctuations in prices of tomato, onion and potatoes thereby helping the farmers in getting a stable income.
- Gramin Agricultural Markets (GrAMs) are village level markets. Government of India aims to develop and upgrade existing 22, 000 rural haats into Gramin Agricultural Markets (GrAMs). GrAMs which will be electronically linked to e - NAM and exempted from the regulations of APMCs will help the farmers by providing them provisions for direct sale to consumers and bulk purchasers (Bansal, 2018).
- Farmer Producer Organizations are jointly formed by producers especially marginal and small farmers with an aim to address the challenges faced by them in agriculture like access to inputs and markets, credit availability, technology etc. FPO's help the farmers in getting inputs, credit, technology *etc* at a very low cost due to economies of scale and this also help the farmers in getting access to the market easily.
- Future markets plays a significant role in price discovery in spot markets. Future markets help to smoothen the price volatility. A vibrant liquid futures market would provide the reference point for operating in the spot market and lead to genuine price discovery. This could be a boon to the farming community, which can then take sowing decisions based on the futures prices (Kaul, 2017).
- Majority of the farmers and traders don't possess knowledge about e - NAM and how trading take place through this. Therefore, APMCs should focus on the educating farmers and traders about e - NAM through audio visual aids, demonstration classes etc.
- The markets under APMC's lacks good storage facilities. If the produce didn't get auctioned on the same day, there will be a problem for farmer to store the produce.
- Harmonization of quality standards of agricultural produce and provisions of assaying (quality testing) infrastructure in every market to enable information bidding by buyers is required. Disseminating this information with the market participants is required (Yadav, 2017).
- e- NAM is required to work for the inclusion of farming communities and farm operations into other segments of the marketing chain like storage, logistics so that it will help capture a larger share of the final value realised.
- The auction in e- NAM will take time compared to the previous system and the settling of payments will also be time consuming.
- If the farmers go for e - NAM, they will not get money from the traders in advance for cultivation of crops. Therefore, there is a need for institutional credit agencies to supply the credit to the marginal and small farmers more.

- The traders are reluctant to buy the produce without physical verification even though the quality parameters are conveyed to them through the portal in e- NAM. The APMC's have to focus on building the trust of traders that the quality parameters given through the portal are true.
- Most of the farmers who are marginal and small who have less bargaining power prefer to sell their produce in their nearby market since taking their produce for trading through e- NAM is time consuming and these markets are located mostly away from the villages.
- The produce of small and marginal farmers are of small quantities and how this produce will be transacted through e - NAM is not known till now.
- There is lack of infrastructure, i. e. grading facilities, internet speed etc in the markets.
- There is lack of skilled manpower also which is required for the conversion of physical produce to the electronic form which is another main constraint in e - NAM.
- Trading of agriculture produce is not assigned HSSN code which makes it difficult for uploading the trade details for tax purpose.
- e - NAM didn't have provisions of direct sale by farmers to buyers, processors, or, contract marketing without bringing produce to mandi.
- It also didn't emphasise on the establishment of private markets with treatment at par with APMC.
- In e- NAM also legal barriers to entry of organised and modern capital and investments into agricultural marketing is there and they have to be removed to increase the competitiveness of agricultural markets.
- The rationalisation of market fee, commission charges, cess and taxes and development charges has not been done till now (Chand, 2016).

Received : July 15, 2018

Accepted : August 03, 2018

REFERENCES

1. Acharya, S. S. and Agarwal, N. L., 2011. Agricultural Marketing in India. Oxford and IBH Publishing Company Pvt. Ltd. New Delhi, India.
2. Agriculture Marketing An Overview and Way Forward, 2017. A Knowledge Paper on Agriculture Marketing, FICCI, New Delhi, India.
3. Bansal, Suchi., 2018. Union Budget 2018 to boost rural demand. Livemint.
4. Chand, Ramesh., 2016. e- Platform for National Agricultural Market. Economic & Political Weekly. 51 (28): 15-18.
5. C, Elamathi., 2013. Agricultural Marketing in India. Paripex - Indian Journal of Research. 2 (8): 45 - 47.
6. Gulati, Ashok. and Juneja, Ritika., 2018. From Plate to Plough: A vision coloured green. The Indian Express.
7. Kaul, Sanjay., 2017. Spot, future markets still not in lock step. The Hindu BusinessLine.
8. Press Information Bureau, 2017. Ministry of Consumer Affairs, Food & Public Distribution, Government of India.
9. Report of the Committee for Doubling Farmers' Income, 2017. Volume III. Post - production Agri- logistics: maximising gains for farmers.
10. The Hans India, 2018. Farmer producer organisations.
11. Yadav, Hema., Shalendra., and Haque, Enamul., 2017. Linking Farmers to Electronic Markets (E - NAM): Current Scenario and A Way Forward. Status Paper Submitted to COSAMB. National Conference on E-NAM: Challenges & Opportunities. CCS National Institute of Agricultural Marketing, Jaipur, India.
12. Kalamkar, S. S., 2017. Performance and Prospects of ENAM in Gujarat. Indian Journal of Agricultural Marketing. Conference Special. 31 (3): 61-71.

.....