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**Talking to – Mr. Manoj Rajan, Managing Director and CEO, Rashtriya e Market Services (ReMS)**

**Enables 105 primary agricultural markets transact on a single electronic platform**

Rashtriya e Market Services (ReMS) was incorporated on January 20, 2014 to bring in efficiency and transparency in the agricultural marketing system for efficient price discovery to benefit farmers and other market participants. It is a joint venture company, with Government of Karnataka and the NCDEX Spot Exchange having equal shareholding.

In Karnataka there are 157 major markets in total associated with some 354 mega markets. The transaction in every market is huge. In addition Rs. 35,000 crore of business takes place in APMCs in Karnataka alone but there is no proper financial linkage. Everything was fragmented. ReMS have been instrumental in streamlining the process largely. Presently organization has enabled 105 agricultural markets transact on a single electronic platform. Mr. Manoj Rajan, Managing Director and CEO, speaks with Agriculture and Industry Survey about market reforms in the state, better prices and warehouse facilities for farmers, participation procedure on ReMS online trading platform and future plans. Excerpts:



*What is the new marketing structure in Karnataka?*  
The new market structure enriches the agricultural markets by-

Increased Competition- A single unified license trade is taking place across all the markets in the state. Competition amongst local to national level and small traders to institutional buyers is improving. Traders from the neighboring states and far off states namely Gujarat, West Bengal, Delhi, Haryana also taking license and participating in the trade.

Enhanced Transparency- In all market operations, transactions are now online that has enabled transparency in price discovery, electronic weighing, farmer billing, All market operations are tracked and MIS reports are generated that are available to market participants through SMS.

Market Access- Improved physical access in warehouses as sub markets, informational access in the form SMS to call centres, financial access in the form pledge loans and CC limits for traders.

Alternate Market – Options available in the form of warehouses, direct purchase centres, private markets, encouraging contract farming, FPOS & cooperatives.

*Tell us more on the market reforms in the state?*

The single unified trader license is being issued that enables trader to participate in all markets of the local state as well as anywhere in the country. The new market structure with its advanced electronic platform provides integrating markets and provides for an efficient price discovery mechanisms. The wide reach of the electronic platform facilitates participation of buyers across the country and leads to price quotes that feature broader demand supply information.

Providing real time information to farmers, facilitating them to decide whether to sell and if so at what price! Reliable assaying and quality testing infrastructure established in the markets and quality based bidding is encouraged. Standardization of quality and quantity parameters, dissemination of the parameters to buyers, clearing and settlement mechanisms and dispute resolution are key prerequisites for participation from remote locations. Simplification of movement of goods by generation of permits online and a central repository created that could make online verification/SMS based verification of the permit possible.

*Please explain exactly how ReMS benefits farming community in Karnataka? How does it help farmers?*

Till date 105 major markets are online, the transactions on the UMP in these markets are commodities valued Rs. 22000 crore from 44 lakh farmers slots. The initial indicators of the reforms process have shown, enhanced transparency in the price discovery mechanism and farmers getting computerised bills and SMS indicating the total value of the produce.

Better price realization to farmers compared to the prices prevailing in previous years. Increased arrivals in the markets and greater competition noticed by outside trader's participation with more bids per lot in the online bidding process. Post reforms farmers share in the end consumer's rupee has increased. Quality & Price awareness among farmers has increased.

*The news reports say farmers can pledge the products store in warehouses for loans. In what way ReMS is involved?*

Warehouses are declared as sub markets of the jurisdictional APMCs by Director, Agricultural Marketing. ReMS acts as a facilitator in warehouse based sales. Agricultural commodities being sold from warehouses which are declared as submarkets is known as warehouse based sales. Banks and other institutions are encouraged to fund the goods so that the farmer have the ability to hold on and decide when he would like to sell his produce. These warehouses receive tested and assayed commodities from farmers and are exhibited for sale, with key quality parameters displayed online, the remote trader participates checking the certified quality parameters and bids on the electronic auction platform. ReMS would facilitate in transaction, transfer of ownership & post transaction clearances.

*Which crops are ideally suited to benefit from your platform?*

All 92 notified agriculture commodities in state like food grains, pulses, oil seeds, fibre, spices, fruits and vegetables can be traded on our platform. Unified Market Platform provides for multiple price discovery mechanisms like e auction, e tender, bilateral trade, fixed price, direct purchase etc. to suit commodity specific trade. For perishable commodities like fruits & vegetables markets must be equipped with good infrastructure to facilitate online trade.

*Who can participate on ReMS online trading platform? Is there any membership?*

All Traders licensed by the Directorate of Agricultural Marketing can participate on the Unified Marketing Platform. A unique username and password is generated to the traders registered to transact on the UMP, with which they can participate in the online bidding process and can access all the trade related information and various MIS Reports, billing and other formats. For trading on UMP, one has to obtain a traders license by submitting the requisite documents required under the Karnataka Agricultural Produce Marketing (Regulation & Development) Act, 1966. The applicant has to submit Form 37-A as mandate under Rule 76 of the Act along with prescribed documents for registering on the platform as Trader.

The bidding sessions are well defined in each market. The bidding session starts early morning and ends at 3 o'clock. Till it closes, quotes from all licensed trader are received, the moment the bidding session is over, the highest bidder is identified and SMS is sent to the farmer stating the highest bid he has received for his product. The farmer can then

decide whether he wants to sell or not. If he rejects his products are put up on sale for the next day and if he says okay then it goes for the post auction activities such as sale, electronic weighing scale, bill generation, payments to the farmer, delivery and e-permit. The entire process is automated.

***How to access this Unified Market Platform – is it via a browser, via some software download?***

It is a web based application which can be accessed via any browsers across the globe on any medium i.e. computer/ laptop/ mobile browser/mobile app. Desktop application is also available as a connectivity solution for locations with low bandwidth. The Platform uses state of the art technology and highly available data centers designed for more than 99%uptime. The link to the application is <https://ka.remsl.in>

***Could you explain the UMP, will this platform connect only existing APMCs warehouses or will it also enable some forms of private sector participation?***

UMP enables automated price discovery mechanisms and post auction process (weighing, invoicing, market fee collection, accounting, payment of sale proceeds directly to farmers, e permit generation) in the agricultural markets. The platform also facilitates assaying, warehouse-based sale of produce and supports commodity funding to benefit all stakeholders. UMP has brought in transparency in market operations by making available real time information of the produce to market participants and by providing equal chance for every lot for being bid by a wider participation of buyers. UMP technology seamlessly covers all operations of markets starting from goods entering the market till the goods exit the market and beyond.

The Platform is meant to serve the global needs and can be integrated into any market type across the country be it APMCs, private markets, warehouses etc. We have extended our unified market platform to the agricultural markets of Andhra Pradesh our neighbouring state. Today 8 major markets in Andhra Pradesh are transacting on this platform. Other states viz, Orissa, Rajasthan, Tamil Nadu, Gujarat, Uttar Pradesh have evinced keen interest in replicating the Karnataka model in their state.

***What is the current progress on the ground in Karnataka? What are the future plans?***

Till date ReMS has succeeded in integrating 105 major markets to use UMP for all market processes. All the components work in perfect tandem to bring operational efficiency and complete transparency in markets. The commission agent displays all lots available for sale on the platform. Traders use this platform to submit bids for commodity procurement. “Anytime-Anywhere e-Permit” module offers best way to generate e-permit against available stocks giving complete flexibility for e-permit generation to transport commodity. Efficient exception management system is vigilant enough not to allow the bids to vary beyond set limits ensuring fair trade practices. Settlement bills,

primary sale bills etc. are generated as part of the process bringing in high transparency and complete trust in the trade from all participants.

Transactional SMS alerts would be sent to all participants of the trade helps them to take decisions instantaneously. Payment module enables online payment to bank accounts of the registered farmers after successful trade conclusion.

The UMP turnover has significantly increased by 93% i.e. from Rs. 6,509 crores in 2014-2015 to Rs. 12,597 crores in 2015-2016. The traded quantity on Unified Market Platform has shown a rise by 632% i.e. 1639 lakh quintals in 2015-16 as compared to 224 lakh in 2014-15. These statistics show the wide acceptability and success rate of the Unified Market Platform acknowledged at all levels. The state wide implementation of UMP, promoting cleaning, grading, packing all leading to primary value addition to the benefit of farmers and promoting warehouse based sales to ground reality level are the major initiatives to be taken on records. Enormous stakeholder education program is in progress covering 11,000 villages across the state, to spread state wide awareness of the reform process.

*The news reports talk about this model being replicated nationwide. Give us some more details about what we can expect.*

The Karnataka model, with its advanced electronic platform for an efficient price discovery mechanism, brings in transparency in market operations. Simplified licensing conditions enable any buyer anywhere in the state (or the country) to participate in the bidding process. Participation of buyers from across the state (or country) leads to price quotes that factor broader demand supply information. Unified Market Platform is first of its kind e-auction platform popularly known as 'Karnataka Model' recognised by Government of India in its "Economic Survey" 2014-15 "A National Market for Agricultural Commodities some issues and way forward" recognises the our model of APMC reforms for implementation in the agricultural marketing Sector.

Karnataka Model has gained significant importance. Secretary, Additional Secretary and Joint Secretaries from the Department of Agriculture, Government of India have visited Karnataka markets many times to study the reforms process. Subsequently, a huge delegation of State Agricultural ministers and Senior officers from 26 states led by Hon'ble Union Agriculture Minister Government of India had a 2 days workshop to study the Karnataka Model during July 2015. Karnataka is acknowledged as the lead player in the country and in the "National Conference of Agriculture" chaired by hon'ble Prime Minister held on January 2016, in Sikkim, was showcased as the model state in the field of agricultural marketing reforms.

(As told to Mr. Kartik Isvarmurti)

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