

‘Recognise & Reward’: How UMP is helping create ‘One Nation, One Market’ for Agriculture

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When it comes to agriculture market reforms to enhance farmers’ income, the success story of Karnataka’s Unified Market Platform (UMP)* stands out. By seamlessly connecting all 157 mandis (APMCs) in the State through the UMP and introducing the ‘Unified License’ – a single trading license for purchase and sale of agricultural produce through any APMC in the State – Karnataka has pioneered in successfully creating India’s first State Agriculture Market (SAM).

Encouraged by the ease of doing business with Karnataka’s APMCs, Traders and Institutional Buyers like Reliance, ITC, Pepsico India, Godrej Agro, etc. from other States have started purchasing agricultural commodities from Karnataka, and in the last 2 years, over 42 lakh Farmers and 34,000 Traders have traded over 298 Lakh tonnes of agricultural produce valued at Rs. 56,696 Crores through the UMP. Inspired from this stupendous

success, in April 2016, the Central Govt. announced the launch of Electronic National Agriculture Market (eNAM) with a vision of connecting all major mandis across the country to facilitate seamless intra-state trading.

However, despite its noble intentions, eNAM has received lukewarm response so far with only 455 of the total 7,500 AMPCs in India registering on it. And now, with the Karnataka State citing the same reason – inadequate linkage to other APMCs – [refusing](#) to be a part of it, the eNAM initiative has an uphill task if it indeed wants to create a National Agriculture Market (NAM). Since Agriculture Marketing is a State subject with each State having its own set of rules & regulations for its APMCs, the Central Govt. cannot make it mandatory for States to be a part of eNAM. To encourage market participation from States, the Central Govt. cannot afford to have a one-size-fits-all approach and needs to adopt the 'Recognise & Reward' approach:

Recognise:

It is imperative that the Central Govt. recognises other e-platforms used by the States, like the Karnataka State's UMP, and allow them to interoperate with eNAM through API sharing. The business rules for interoperability can be jointly chalked out by the State and Central Govt.

Reward:

At present, to adopt eNAM, the Central Govt. is offering Rs. 75 lakhs per mandi to States who do not use any e-trading platform. However, there is no monetary incentive whatsoever to States who already have their own SAM trading platform(s). To bring parity, the Central Govt. needs to offer the same incentive to all States.

To conclude, no single trading platform can create a national market. But integrating with existing SAM platforms can definitely create one.

* The UMP is an initiative of Rashtriya eMarket Services Pvt. Ltd. (ReMS) – a Joint Venture Company of NeML and the Karnataka State Govt. Under the able leadership of its MD & CEO, Mr. Manoj Rajan (Additional Secretary, Govt. of Karnataka), ReMS was conferred the prestigious DL Shah Platinum Award and was recently also recognised as one of the 'Gems of Digital India' for its defining role in transforming Karnataka's Agricultural Markets and enhancing farmers' income.