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## Karnataka, first state to start major agri reforms, snubs eNAM participation

Karnataka, the first state to initiate major reforms in agricultural marketing through creation of a Special Purpose Vehicle has declined to join the agriculture ministry-promoted national electronic platform

By: [Sandip Das](#) | New Delhi | Updated: July 15, 2017 7:01 AM



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Karnataka, the first state to initiate major reforms in agricultural marketing through creation of a Special Purpose Vehicle — Rashtriya eMarket Services Private (ReMS) — has declined to join the agriculture ministry-promoted national electronic platform, National Agriculture Market (eNAM), stating that inter-states trade is yet to be facilitated across the country. ReMS Ltd, a joint venture between the Karnataka government and NCDEX Spot, had rolled out an Unified Market Platform (UMP) across 157 mandis across the southern state more than two years ago. ReMS had a reported a turnover of Rs36,000 crore in 2016-17, while in case of 240 odd mandis across 13 states linked through eNAM, the turnover reported is Rs23,250 crore since its launch in April, 2016. Since its launch two and half years ago, ReMS has a cumulative turnover of Rs76,000 crore. “As long as eNAM does not facilitate inter-state trade and farmers from our state are allowed to trade in other states, we do not find any rational in joining an electronic marketing platform,” Manoj Rajan, managing director & CEO of ReMS, told FE.

However Shobhana K Pattanayak, secretary, department of agriculture and cooperation said that Karnataka has been pursued to join eNAM later this year. “Currently, we have been conducting compatibility assessment of both the electronic platform – eNAM & ReMS,” Pattanayak said. Karnataka provides an e-permit that facilitates the movement of commodities – pulses, oilseeds, copra, cereals within the state, replacing the manual permit system. The permit allows all 157 markets in the Karnataka to update their stock and generate e-permits from the UMP. A large number of farmers are paid directly to their bank accounts. Rajan said a single license is provided to traders with a state-wise validity by paying as little as Rs200 each permit.

“Traders from various states including Tamil Nadu, Andhra Pradesh, Maharashtra and Kerala have taken unified state-wide license to participate in online markets,” he said. About 17 bulk institutional buyers like Cargill, [ITC](#), Reliance, Godrej Agro and Metro Cash & Carry have registered with ReMS. Assaying facilities in each of the mandi in Karnataka is being provided in a phased manner, according to Ranjan of ReMS. APMCs in Karnataka charge 1.5% at mandi or market fee and 2% as arthia or commission agents fee for each transaction taking place in mandis from traders through ReMS while it charges 0.1% fee as transaction cost.

Meanwhile, of the total eNAM turnover of Rs23,250 crore, Haryana topped with Rs13, 600 crore, followed by Telangana (Rs4039 crore), Gujarat (Rs3529 crore) and Uttar Pradesh (Rs1097 crore). Only 48 lakh farmers — of an estimated 14 crore in the country — and 91,000 traders and 48,000 commission agents have registered with eNAM. However, as far as inter-mandi/inter-state eNAM trade is concerned, it has remained a non-starter, meaning the objective of empowering farmers with a wider buyer base hasn't been met. Many states such as Haryana are sowing Minimum Support Price (MSP) operations as part of eNAM turnover.