



KARNATAKA FARMERS EARN 138% BY DIRECT SALE VIA E-TRADING

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At a time when farmers' unrest in Madhya Pradesh and Maharashtra is making news, Karnataka farmers have realised 38 per cent more income from sale of their produce through the e-trading interface, Unified Market Platform (UMP) that was launched in 2014 by the Rashtriya e-Market Services (ReMS) to facilitate interaction between traders and farmers.

The Niti Aayog report, titled 'Doubling Farmer Incomes', has showed that the average increase in farmers' income was 38 per cent in nominal terms and 13 per cent in real terms. Copra, Black gram and Tur, Bengal gram were commodities which gave among the highest realisation, it added.

According to officials of Ministry of Agriculture, the e-trading enhanced the income of farmers by weeding out middlemen. "They (middlemen) eat up almost 75 per cent of the final price, leaving very little for the farmers. The State-run Agricultural Produce Market Committee (APMC) often has the disadvantage of middlemen deciding the price of the produce.

"The UMP has managed to eliminate middlemen from the equation all together. Traders can quote product prices online, which the farmers then have a right to reject if it isn't satisfactory," officials said.

The report analysed the prices received by farmers between 2013 and 14 (the year preceding the functioning of UMP) and 2015-16 (the first year after creation of UMP). The data showed that the modal prices of agri-produce on UMP in Karnataka witnessed much higher increase than the wholesale rates of the same commodity in the country.

Currently, 157 mandis in Karnataka use e-trading, e-permits, e-payments, and scientific grading and assaying services. In Andhra Pradesh, the company in association with the State Government and ReMS (Rashtriya e-Market Service) has brought the largest 10 APMC markets in the State, including Guntur, to online trading. It will now be handing over the same to the State Government.

“After introduction of online trading and UMP modal prices in Mandis in Karnataka witnessed much higher increase than the increase in wholesale price of the same commodity in the country. The increase in real terms varies from one percent to 43 per cent. The average increase for the 10 commodities for which data is available was 38 per cent in nominal terms and 13 per cent in real terms. This has happened despite the fact that all provisions of UMP are not fully operational in Karnataka,” said the report.

It further said Karnataka experience shows that small reforms in the system of marketing can make big differences to the prices received by farmers.

The UMP, an initiative of Rashtriya e-Market Services Ltd (ReMS) - a joint venture between NCDEX e-Markets Limited and Karnataka Government, was set up in 2013-14 much before the Centre rolled out eNAM, almost a similar version for the entire country. “While all provisions of UMP are not yet fully operational, complete implementation is expected to have a much larger impact on farmer incomes,” it said.

Officials of Ministry of Agriculture said all the success will depend on the States’ outlook to market-led agriculture or prospects in agriculture through steady procurement, reduced distress sales, value addition to marketable surplus and adoption of co-production and profit sharing model.