

CENTRE WANTS STATES TO DITCH APMC FOR E-NAM

Relevant for: Indian Economy | Topic: Transport & Marketing of agricultural produce

States were being “cajoled to reject” the agricultural produce marketing committee (APMC) system in favour of a pan-India electronic trading portal that creates a unified national market for agricultural commodities, according to Finance Minister Nirmala Sitharaman. So far, the Centre had been focussed on reforming APMCs, allocating funds to upgrade them, and persuading States to adopt a model APMC Act.

Speaking at a global conference on rural finance hosted by the National Bank for Agriculture and Rural Development (NABARD) on Tuesday, Ms. Sitharaman said the Centre was talking to States to “dismantle” the APMC system and move towards the electronic National Agriculture Market (e-NAM). “We’re also making sure that States are cajoled to reject the APMCs,” which, while having served their purpose at one time, were now posing many difficulties, she said.

While the Centre has been promoting e-NAM since its introduction in 2016, it is not clear if the online portal is ready to bear the entire burden of agricultural trade. Only 1.6 crore farmers have registered on the portal so far, from among the almost 12 crore cultivators in the country. According to data presented in the Lok Sabha in June, only about half of those registered have benefited from the platform.

Out of almost 2,500 APMCs, 585 in 18 States have been connected to the e-NAM portal so far. Interstate trade, which has the potential to give farmers wider market access and better prices, has 21 APMC mandi participants in 8 States so far.

NABARD Chairman Harsh Bhanwala told *The Hindu* that APMCs required reforms to ensure that a transparent price discovery mechanism exists, particularly for spot prices. “Also, they need to have infrastructure available for storage, collateral management and quality control assessment,” he said, adding “so I think we need to enhance the APMC infrastructure.”

NABARD is now ready to operationalise a Rs. 2,000 crore agri-market infrastructure fund aimed at upgrading 585 APMCs and 10,000 gram in agricultural markets.

There may be special support in the offing for Jammu and Kashmir’s farmers. Over the last two months, NAFED has aided J&K’s apple farmers by procuring their crop. Ms. Sitharaman said NABARD had now been asked to aid peach, walnut and saffron farmers as well. In Ladakh, farmers would be encouraged to earn additional income by installing solar panels to generate renewable energy, she said. The Centre was also finalising plans to step up investment in J&K’s rural infrastructure.

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