

# Promotion of National Agriculture Market (NAM) through Agri-Tech Infrastructure Fund (ATIF)



## 1. Introduction:

- 1.1 Following successive Budget announcements of 2014-2015 and 2015-16 on setting up an “Agri-Tech Infrastructure Fund” and the need to create a National Agriculture Market to increase the income of farmers with incidental benefit of moderating price rise respectively, Government approved a Central Sector Scheme for “Promotion of National Agriculture Market (NAM) through Agri-Tech Infrastructure Fund (ATIF) on 01st July, 2015 with a budget allocation of Rs. 200 crore. The scheme envisages deployment of a common e-market platform in 585 selected regulated wholesale agriculture markets (hereinafter called markets) by March, 2018. The common e-market portal will be called e-NAM.

## 2. Objectives:

The main objectives of the Scheme are -

- (i) to integrate markets first at the level of the States and eventually across the country through a common online market platform, to facilitate pan - India trade in agricultural commodities;
- (ii) to streamline marketing / transaction procedures and make them uniform across all markets to promote efficient functioning of the markets;
- (iii) to promote better marketing opportunities for farmers / sellers through online access to more buyers / markets, removal of information asymmetry between farmer and trader, better and real-time price discovery based on actual demand and supply of agri- commodities, transparency in auction process, prices commensurate with quality of produce, online payment etc. that contribute to marketing efficiency;

- (iv) to establish quality assaying systems for quality assurance to promote informed bidding by buyers; and
- (v) to promote stable prices and availability of quality produce to consumers.

### **3. Scheme design:**

- 3.1 NAM is envisaged as a pan-India electronic trading portal, to be managed centrally by a lead implementing agency i.e. Small Farmers' Agribusiness Consortium (SFAC), which will network 585 selected markets in a span of three years (2015-16 to 2017-18) to create a unified national market for agricultural commodities. NAM is a "virtual" market but it has a physical market at the back end. While one time registration of farmers / sellers, lot details at the entry gate, weighment, quality assaying, auctions / trade transactions, payment by buyers to sellers and other agencies involved in the chain of transaction will take place online on e-NAM, actual material flow will happen physically through the market. Entire arrivals of agricultural commodities selected for trading on e-NAM will be traded on-line only.
- 3.2 The centralized special software to be developed for e-NAM will be offered free of cost to each market which agrees to join the national network and necessary customization will be undertaken to conform to the provisions of the relevant marketing regulations of each State.

### **4. Eligibility criteria for availing assistance under the scheme:**

- 4.1 The scheme being linked to agricultural marketing reforms, the States / Union Territories (UTs) need to undertake mandatory reforms in their Agriculture Produce Market Committee (APMC) Acts in respect of following three areas to avail the assistance under it -
  - (i) single trading license to be valid across the State;
  - (ii) single point levy of market fee across the State; and
  - (iii) provision for e-auction / e-trading as a mode of price discovery to be facilitated by the State Agriculture Marketing Department / Board / APMCs / Regulated Market Committees (RMCs), as the case may be.
- 4.1.1 In respect of 4.1 (i) above, State/UT must provide, through appropriate legislation / executive order in consonance with the concerned APMC Act / regulation, for issue of single trade license to any eligible person from across India irrespective of one's domicile to enable one to trade through e-NAM portal in the markets across the State / UT.

Further, State / UT must provide for a liberal process of single trade license for wholesale traders / buyers for the entire State & ensure that there are no barriers like prohibitively high security deposits or stipulations regarding minimum quantities to be transacted or requirements of establishment of purchase centre / premise' etc.

- 4.1.2 In respect of 4.1 (ii) above, State / UT must provide, through appropriate legislation / executive order in consonance with the concerned APMC Act / regulation for single point levy of market fee for wholesale trading of same produce across the State i.e., levy of market fee / cess at point of first transaction only in the State. No further market fee / cess / service charge, or by whatever name it is called, should be leviable on subsequent wholesale transaction (s) of the same produce.

4.1.3 In respect of 4.1 (iii) above, State / UT must provide, through appropriate legislation / executive order in consonance with the concerned APMC Act / regulation, that State Agricultural Marketing Department / Directorate / Board , as the case may be , and concerned APMC / RMC shall provide necessary legal framework therefor and required infrastructure connected thereto to promote National Agriculture Market (e-NAM).

4.2. Proposals from such States / UTs meeting above three pre-requisites received on prescribed pro-forma (Annexure-I) will be considered for sanction of one time grant for purchase of hardware, internet connection, assaying equipments and related infrastructure to make the market ready for plug in with e-NAM platform.

4.3 In addition, States / UTs must also undertake-

- (i) to trade 100 % volume of selected agricultural commodities through e-trading / e-auction in the markets proposed to be covered under e-NAM;
- (ii) to make provision\*\* for Soil Testing Laboratories (STLs) or ensure that markets are linked to STLs located in close proximity;
- (iii) to meet the balance fund requirement towards implementation of e-NAM, if any, over and above that granted by the Project Appraisal Committee (PAC);
- (iv) to bear all future escalations, as may arise after 5 years upon expiry of service agreement with Strategic Partner;
- (v) to bear annual maintenance provisions for the software as may arise after 5 years upon expiry of service agreement with Strategic Partner;
- (vi) to register their implementing agency on PFMS portal (<https://pfms.nic.in>) and intimate the same to Department of Agriculture, Cooperation and Farmers' Welfare (DAC&FW) (hereinafter called Department) along with the bank details etc. to enable transfer of funds.

Proposals for setting up of STLs may be taken up under the National Mission for Sustainability of Agriculture (NMSA) and RKVY schemes of DAC&FW.

4.4 States / UTs, which either do not have marketing regulation or have one which is not in force, in order to integrate with e- NAM portal and avail grants under the scheme, must identify some institution / organisation and frame appropriate legally enforceable guidelines . The entity so identified may develop the appropriate physical infrastructure required for e-trading on e-NAM at back end and provide required logistic support. Regulatory framework / legally backed guidelines may include all the required facilitatory provisions for trading on e-NAM portal including enlisting / registration of traders / buyers, transaction fee etc.

4.5 The proposals of private markets for providing access to e-NAM portal may also be considered by the Project Appraisal Committee (PAC) provided they are recommended by the competent authority of the concerned State / UT. However, in such cases they must provide for mandi analyst, related

hardware, assaying facilities and other support services at their own cost.

## **5. Assistance under the scheme:**

- (i) Assistance to APMCs/RMCs is subject to approval of Project Appraisal Committee (PAC).
- (ii) State / UT / their agencies may apply for approval of Detailed Project Reports (DPRs) and grant under the scheme. Proposals for all selected APMCs / RMCs in the State / UT shall be routed through the State Government / UT administration in the prescribed format provided at Annexure-I along with all supporting documents.
- (iii) e-NAM software will be provided to States / UTs free of cost.
- (iv) Department will give grant as one time fixed cost to the States / UTs up to Rs.30.00 lakh per market, based on their DPR for purchase of hardware, internet connection, assaying equipments and related infrastructure to make the market ready for integration with e-NAM platform. State Government / UT / their agencies would bear balance fund requirement, if any, for making arrangement for electronic trading in proposed markets.
- (v) SFAC, the Lead Implementing Agency (LIA), through Strategic Partner (SP) identified for implementation of e-NAM, will depute free of cost one person at each market, for a period of one year to provide day to day hand holding support to stakeholders for its successful implementation. If this support is required to be continued further, concerned market will be required to bear the cost of such person / support. Private markets however will have to bear the cost of mandi analyst from the beginning.
- (vi) Based on the availability of funds and the number of projects submitted by States / UTs, Department may decide to put a cap on the number of markets that may be covered in this scheme from each of the State/UT.

## **6. Approval of proposals and release of assistance:**

6.1.1 The proposals received on prescribed Pro-forma (Annexure-I) from States / UTs and their agencies for integration of their markets with e-NAM shall be scrutinized and considered for sanction of one time grant by Project Appraisal Committee (PAC) under the Chairmanship of the Secretary, DAC&FW. The Committee will have the following composition:

- (i) Additional Secretary (Marketing), DAC&FW - Member
- (ii) AS&FA, DAC&FW - Member
- (iii) Managing Director, SFAC - Member
- (iv) APC/Secretary, I/c Agriculture Marketing of concerned State - Member
- (v) Joint Secretary (Marketing), DAC & FW - Member Secretary

6.2 The PAC will scrutinize the proposals received from States / UTs or their concerned agencies with the assistance of SFAC and Directorate of Marketing and Inspection (DMI).

6.3 PAC will sanction the project and release grant.

6.4 PAC will guide the States / UTs in all matters related to the implementation of e-NAM and will advise suitable measures / corrective actions, if any, during the course of implementation, keeping in view the overall aim & objective of the scheme.

6.5 Chairman, PAC may at his discretion, co-opt any other member to the PAC or to any of its meetings.

For more information, visit: <https://enam.gov.in/>