

How Suryapet has changed after eNAM



A visit to the mandi reveals how the online platform has brought transparency and helped farmers get a better price. But some gaps remain

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“Tender prakaram vellinapudu, traders’ kummakkayyi rates ichevaru, kani ippudu, eNAM lo correct rate vastunayi (Earlier, under the tender system, traders used to collude and fix the price, but under eNAM, now I get the right price.)”

Above are the words of Paramesh, a farmer from Narayanagudem village in Telangana, whom I met last week at Suryapet mandi. He ploughs on his father’s one-acre land and also works as a tenant farmer on a three-acre land.

He was responding to why he had come to sell at the eNAM (electronic National Agriculture Market) mandi. He claimed that the weights were not distorted and the payments were faster at the eNAM mandi. “If I sell in my village, it will take 15 days to a month to get the payment. But here at the eNAM mandi, I get paid the day I sell.”

This precisely summarises the transformation brought about by eNAM mandis over the past two years. eNAM has nailed trade cartels to a large extent, brought in transparency and ensured immediate payment to farmers.

Suryapet mandi sees arrivals of paddy, red gram, green gram and groundnut from villages 30-40 kilometres far. eNAM was introduced in the mandi in July 2016. Since then, it has witnessed a lot of changes — auctioning has moved from the open-tender system to online bidding across commodities, weighing is done on elec-

tronic weighing scales that are integrated with the eNAM portal through Bluetooth, and farmers get *thakpatti* (sale bill) with the exact value of payment the trader has to make.



What’s the benefit?

The infrastructure and facilities at Suryapet are a big plus. Right from Day 1 of eNAM implementation, the mandi started computer-generated gate entry of farmers and lot ID generation for their produce. Later, to avoid long queues of trucks at the gate during the peak arrival season, six different cabins with separate computer systems for lot ID generation were also built.

With eNAM also came the facility for online electronic auctioning at Suryapet.

N Prabhakar Reddy, a farmer from Nelamarri village, who brought his 40 quintal of paddy to Suryapet mandi, said: “Earlier, it used to take two days for the sale to finish. But now, the entire process — auctioning, weighing and sale — gets over by evening of day one, and I go back home with money on the

same day.” Till two-and-a-half years ago, Suryapet had an open out-cry auction (traders gather around each lot in display at the auction hall and call out the bidding price) in some commodities, and secret tenders (each trader writes his bid on a piece of paper and puts it in a box that is later opened to discover the winner) in others.

The processes took a long time to finish and farmers had to run hither and thither behind traders and wait out in the sun till the deal finished. Many a time, they returned to the mandi the second day to finish the weighing process and collect money from the commission agent/trader.

To a large extent, the e-auctioning mechanism has also put a check on price manipulation by traders, agreed farmers at the mandi.

“Earlier, a large buyer could

silence other buyers from giving their rate for a lot with just a look or a gesture. But now, such things don’t happen.

We can see a ₹150-200 difference per quintal between the highest and lowest bid,” said a farmer who was too shy to tell his name before the camera.

G Sathaiah, a farmer from Ratnapuram, whom I met by chance near the entry gate of the mandi, said: “I could have sold my paddy for ₹1,800/quintal at my village, but I didn’t want to sell at that rate. I thought here at the mandi, I will get a higher price.”

Checking with mandi officials towards the end of the day, I learnt that Sathaiah received ₹1,921/quintal for his paddy through the auction. He received a total of eight bids — the highest was the winning bid and the lowest was ₹1,766/quintal.

A total of 86 traders are currently registered on the Suryapet eNAM platform with about 40-50 active buyers on

any day. In the peak paddy arrival season — March-April — 15-18 bids are placed per lot. Traders from nearby places, too, come to the mandi. Traders can bid through an app or through the desktop systems at the bidding hall in Suryapet.

The Suryapet Agricultural Market Committee has 16 cabins in the bidding hall, each of which is equipped with a computer and a printer.

The other big benefit for farmers at Suryapet post-eNAM is the availability of electronic weighing scales. Earlier, commission agents/traders used to collude with those weighing the produce, and cheat farmers.

Even a loss of 1/1.5 kgs for a bag meant a loss of few thousand rupees for a farmer. But now under eNAM, all weighing scales are electronic and linked to the eNAM portal,

leaving no room for any manipulation.

Unfinished work

Suryapet is an example of how an online platform for marketing agri produce can



bring transparency, provide better price and add to the confidence of farmers. But that said, even Suryapet is not a full-fledged eNAM mandi. There is still some unfinished work. The weakest segment of the mandi is its assaying facility. The mandi’s laboratory has 4-5 staff who manually clean and assay sample packets of paddy (of 500 gm each) — separating each good grain from shrivelled, spoiled/weevilled grains and foreign matter, by hands. The lab does have machines, but only paddy cleaners, winnowing fans and a moisture metre; none for complete assaying and grading of produce. While during peak arrivals, 8000 lots of paddy arrive in a day, the staff cannot assay even 40-50 lots in a day using the current method.

This absence of an assaying mechanism is hindering

inter-mandi trade at Suryapet. Without quality assurance, a trader from outside won’t buy the produce online.

This brings us to the next question. What’s stopping any investment in assaying machinery? Cost. Though the Telangana Agricultural Marketing Department has identified companies that make assaying machines for paddy and pulses, it is not affordable at the current asking price.

The second parameter where Suryapet loses its score is online payment. It is still struggling to convince traders to make immediate online payment to farmers. This is how the sale process works now: Once the list of winning traders is announced, the farmer gets the right to accept or reject the bid. If he accepts the bid, the farmer’s commission agent is informed. This agent and the buyer (trader) then make a deal. The agent agrees to settle the farmer immediately through cash/cheques/RTGS, and gives a credit period to the trader.

As the eNAM system doesn’t allow the purchaser (trader) to settle at a later date, and traders do not have the financial ability to settle the farmer immediately, the commission agent’s role becomes indispensable in the system, said a mandi official.

However, what was surprising was that no farmer at Suryapet mandi that I spoke to, complained about the commission agents. In fact, a farmer said: “Aapadalo aadukuntaru (when we are in threat, they are the ones who come to our rescue).”

Farmers are still dependent on commission agents at their village for all their credit needs. This is the case not just in Telangana, but in other States, too.

All farmers who bring their produce to Suryapet mandi to sell on the eNAM platform are associated with one commission agent or the other. They mention this detail when taking the gate-entry slip, and once the sale is done on the eNAM platform, the commission agent gets informed and he comes to settle the farmer. (When traders bid for a lot, they check if the farmer has a commission agent, so that they can get a credit period to settle the payment).

But not being able to remove the commission agent is not a failure of eNAM, it’s a failure of the credit system in the country. Commission agents have been there before eNAM and they are there now, too. But the difference now is: they can’t cheat the farmers.

A farmer at the mandi said: “Earlier, we accepted whatever the commission agent said. But now, we know that the eNAM gives the sale bill, and we ask for it. When he takes our produce to the mandi, and comes back, and quotes the price at which the produce was sold, we ask for the *thakpatti*.”



What’s changed

- Trade cartels curbed to a large extent
- Online auctioning with electronic weighing scales
- Faster sale with proper bills

What hasn’t changed

Commission agents have always been there. But the difference after eNAM is, they can’t cheat the farmers anymore



Suryapet mandi staff assay sample packets of paddy PHOTO: RAJALAKSHMI NIRMAL