

The platform has helped producer-seller secure the best price at APMCs

Farmers reaping benefits of online commodity trading

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As Prime Minister Narendra Modi is all set to launch a unified market platform (UMP) on April 14 across the country, Karnataka's online trading in agricultural commodities has proved to be a successful model and farmers are reaping its benefits.

Till date, more than 14 lakh farmers have registered on the UMP and have been benefited from a sharp rise in prices of commodities owing to the introduction of online trading in 107 agricultural produce marketing committees (APMCs) across the State.

The UMP through the Rashtriya e-Market Services (ReMS), a joint venture of the State and NCDEX Spot Exchange Ltd., has addressed the concerns of small and marginal farmers, who hitherto struggled for a better price.

Prices

The UMP had contributed to the significant rise in prices of copra, groundnut, toor, turmeric, Bengal gram, arecanut, dry chilli, and green gram. Prices of some commodities increased by more than 50 per cent in 2015 compared with the previous year.



SUCCESSFUL MODEL: Traders quoting prices on e-platform at Byadgi Chilli Market in Haveri district. - PHOTO: BY SPECIAL ARRANGEMENT

For instance, the average price of copra increased from Rs. 5,401 a quintal in 2013 to Rs. 12,936 a quintal (rise of 139 per cent), while it moved from Rs. 5,178 a quintal in 2013 to Rs. 11,169 (116 per cent) in 2015 in the Arsikere market of Hassan district.

Manoj Rajan, managing director and CEO, ReMS, said till date, 130 million

quintals of commodities worth \$ 2.5 billion had been traded online.

Advantages

The government implemented online trading to develop a barrier-free market for farmers. Now, wholesale dealers, including METRO Cash & Carry, and major traders in different parts of the State are participating in online trad-

ing and quoting competitive prices.

Online trading helps producer-seller secure the best price for commodities at the APMCs. The new system has eliminated the role of middlemen and unfair trade practices, he said.

The UMP contributed better price realisation to farmers compared with the

| PRICE COMPARISON PRE- AND POST-UMP IMPLEMENTATION | | | | | | | | | |
|---|--------|----------|----------|------------|---|----------|-------------|---------|------------|
| COPRA AVERAGE PRICE (RS. PER QUINTAL) | | | | | ARECANUT AVERAGE PRICE (RS. PER QUINTAL) | | | | |
| Market | Tiptur | Arsikere | Kunigal | Turuvekere | Gubbi | Market | Shivamogga | Sirsi | Channagiri |
| 2013 | 5,401 | 5,178 | 4,816 | 5,132 | 5,991 | 2014 | 23,120 | 27,590 | 28,959 |
| 2015 | 12,936 | 11,169 | 12,411 | 12,725 | 12,439 | 2015 | 32,634 | 31,098 | 31,996 |
| % change | 139 | 116 | 158 | 148 | 108 | % change | 41 | 13 | 10 |
| TOOR AVERAGE PRICE (RS. PER QUINTAL) | | | | | BENGAL GRAM AVERAGE PRICE (RS. PER QUINTAL) | | | | |
| Market | Bidar | Raichur | Sedam | Bhalki | Market | Bidar | Raichur | Bhalki | Vijayapura |
| 2013 | 4,138 | 4,194 | 4,318 | 4,177 | 2014 | 2,655 | 2,785 | 2,625 | 2,479 |
| 2015 | 5,410 | 5,433 | 5,203 | 6,112 | 2015 | 3,890 | 3,686 | 3,833 | 3,523 |
| % change | 31 | 30 | 20 | 40 | % change | 47 | 32 | 46 | 42 |
| GROUNDNUT AVERAGE PRICE (RS. PER QUINTAL) | | | | | | | | | |
| Market | Yadgir | Raichur | Bagalkot | Hubballi | Challakere | Gadag | Chitradurga | Ballari | |
| 2014 | 3,230 | 3,133 | 3,520 | 3,060 | 3,430 | 3,525 | 3,747 | 3,529 | |
| 2015 | 4,540 | 4,509 | 5,245 | 4,361 | 4,254 | 4,266 | 4,512 | 4,323 | |
| % change | 41 | 44 | 49 | 43 | 24 | 21 | 20 | 22 | |

107 APMCs are transacting on electronic platform

1.4 million farmers registered on UMP platform

130 million quintal commodities transacted

UMP increases competition in agricultural marketing

NITI Aayog says Karnataka is a "true leader in agri-market reforms in the country"

prices prevailing in earlier years. It increased arrivals in the markets and greater competition was noticed by outside traders' participation, with more bids per lot in the online bidding.

Unified trader licence issued to traders from across the country enabled them to trade across APMC markets in Karnataka. Un-

der the system, the market would correct itself to curb excess speculation of "rogue" traders/agents to the extent of market liquidity and magnitude of participation.

Awareness drive

The official said that the UMP had created quality and price awareness among

farmers. To bring in more farmers under the system, a drive has been launched in 11,000 villages across the State, involving at least 200 farmers from each village.

Karnataka's model was showcased at the 'National conference on sustainable agriculture and farmers welfare', chaired by Mr. Modi, in Gangtok in

January. Delegates from Jammu and Kashmir, Tamil Nadu, Andhra Pradesh, Jharkhand, Odisha, Gujarat, Uttarakhand, Rajasthan and Chhattisgarh visited Karnataka last year to study the market reforms process.