

## **Making Rural Farmers Entrepreneurship: - to Study The Role of E-Nam, Apmc, Wholesalers, and Retailors on Farmers Agricultural Activities and their Income**

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### **Abstract**

Agricultural Entrepreneurship needs to address opportunities and challenges related to information dissemination, farm management, procurement of capital, modernization of firm, and the agricultural supply chain. It should be start from ground level by development in farmers wealth, farmers are becoming major contributors to the growth of India's agricultural economy. Rural farmers entrepreneurship fulfils India's acceleration, entrepreneurship involves innovative skills, marketing models and profitability to business and community- oriented practices. Entrepreneurship of small holder farmers have been grouped them together to achieve their welfare. To decreasing exploitation by intermediaries in agricultural marketing the Government of India constructed APMC mandi, RMC market yards and e-NAM platform to improve the system of agricultural marketing in our country. Therefore, this research paper analyzes the role of e-NAM, APMC, wholesalers, and retailors on agricultural activities and on farmers income to making rural farmers entrepreneurship from village level. Collection of data made by interviewing e-NAM/APMC officers, wholesaler/retailors from local market yards and from farmers of state Odisha and analyzes with the help of statistical methods and excel..

**Keywords:** Entrepreneurship, e-NAM, APMC, farmers income, agricultural marketing, and economic growth.

### **1. Introduction**

The concept of entrepreneurship and agricultural farmer are associated in many ways, a farmer is concerned with agriculture from their childhood and learns different activities of agriculture from his father and relatives. From this short of knowledge, the farmer constantly using their innovation in different ways, using different cropping patterns in same field for same product, growing their agricultural business by themselves and taking full of risk and responsibility for all result of agricultural production and marketing of their products, farmers are not doing business but only sales their products, so farmers are ultimate entrepreneurs. Most of entrepreneurs are well trained from institutions and universities. Making entrepreneurship firms in rural areas between small farmers at village level needs entrepreneurship development programmes to enhancing the knowledge and skills. The entrepreneurial development programmes help to farmers to become an entrepreneur to achieve their goals, improves marketing skills. To doubling the farmers income and nations economy their needs to making of agricultural farmers entrepreneurship panchayats at panchayat level in every state in our country India. A well-organized agricultural marketing is vital for the development of the agricultural marketing sector as it to arrange outlets and incentives for increased production, advanced technology and new methods of farming, now online and offline marketing system contribute greatly to the commercialization of agricultural activities and

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farmers income.

## 2. Objectives of this study

1. to making of agricultural farmers entrepreneurship panchayats at panchayat level in state Odisha.
2. To making our farmers as globalise and sustainable entrepreneurial farmer.

## 3. Entrepreneurship and farmer

Entrepreneurship is creating a field for its entrepreneur to do better things and differentiate products from others and produce new knowledges for the purpose of creating a new environment for welfare of every stakeholders and construct new values for society. Agriculture is well planned, product lines, value added chains, proper linkages to marketing patterns are some words are being used when we are talking about farmer and entrepreneurship. Some small-scale farmers and entrepreneurial organisations understand that there is a big field of feature for farmers in entrepreneurship. An entrepreneur is a man of innovation, he motivated by himself, and have an intention to create a new field in business. Farmer have a field with innovation, self-made, own capital, leading role, with taking actively risk and responsibility and with all qualities of an entrepreneur. Farmers are always looking forward for better result and more efficient especially when their agriculture in suffer, these are most important qualities of a farmer to become farmer-entrepreneur.

## 4. Creating entrepreneurial environment

In agricultural marketing the farmers are free and independent to their product, but do not work alone. The operating of agricultural marketing in a complex and dynamic environment. The farmers are the part of a larger environment, collection of stakeholders including other farmers, wholesalers, traders, retailers, e-NAMs, APMCs, RCMs, agents, transporters, and consumers, each of has a role in the agricultural marketing value chain. For farmers to cope with the environment risk they face a complex of marketing, they need to learn and knowledge the entrepreneurial spirit. To making profitable their agricultural business he should adapt entrepreneurship, the farmer-entrepreneur needs to focus on their purposes, do their best, seize

every opportunity, make system to their favour, and doing best of his. This is the original spirit of an entrepreneur.

## 5. Group farmers entrepreneurship

India is an agricultural economy, agriculture is the main source of income of more than 65% of its population, Indian economy, and agriculture proportionately dependent to each other, for growth of economy needs to growth the welfare of farmers. For growth of our economy needs group farmers entrepreneurship from panchayat level. Group entrepreneurship is particularly more profitable and attractive than single man entrepreneurship. The farmers group entrepreneurship creates number of job opportunities at their own village for the farmers. All small farmers from a panchayat can also make a group of farmers entrepreneurship panchayat with similar goals, objectives and share the benefits and risk to each other. In the entrepreneurship all members must have same skills and spirit of entrepreneurship to become successful in agricultural marketing. The farmers must be willing to work together in a same field and take full of responsibility to any result. Group entrepreneurs construct a civilization with an enormous amount of goods and services and enhances the farmers growth of social welfare. Farmers group entrepreneurship can enhance the standard of living, creating economic integration, and promotes research and development at a village level. It provides qualitative products, services, and technologies to our society at large.

## 6. Develop entrepreneurial qualities among the farmers

There is a difference between the agricultural marketing and entrepreneurship. Agricultural marketing is about good planning, implementation, control, and risk of marketing. Entrepreneurship business is about looking forward – creating opportunities, making of vision of how the entrepreneurship will grow, producing innovation and taking risk. A simple farmer who things of agriculture as production of crops and sales it in market only. An entrepreneurial farmer looks at their agriculture as opportunities of business and the ways to sale them more profitable. They are self-motivated, develop ideas, translate into action, confidence with an ability to plan and organise the business. These are the qualities enables farmers to become an entrepreneurial farmer to seek out opportunities in business, conceptualize and initiate new business procedures and finally accomplish the goals.

## 7. Developing extension programs for entrepreneurial capacity

Training and extension support to farmers required make a farmers entrepreneurship panchayat. Training

programmes should be appropriate and take into consideration the learning and acquiring capacity of farmers, resource available and desired learning outcomes. Training will be effective only if farmers have approaches to get the resources and ministrations needed to establish and expand their agricultural businesses, such as finance and markets. Extension workers may provide training to facilitate the establishment of farmers entrepreneurship panchayat that can come up with stimulating entrepreneurship, and to guide farmers through changes. The extension workers have the responsibility to support farmers by facilitating link with banks for loan, for developing networks, partnership among farmers, helps farmers to make a common vision in the value chain to conduct the entrepreneurial business. The extension workers should encourage farmers to stay focused on achieving goals, strategic thinking among the farmers, direct learning from stakeholders and make personal contact with buyers and customers. Then the extension workers assist the entrepreneurial group to establish growth policy and strategy that focused all activities, approaches, strength and plans of business.

#### Tips for developing farmers entrepreneurship

- Farmers are always ready to lead the formation and strengthening the farmers entrepreneurship.
- All farmers should be potential member of entrepreneurship. Farmer need to be aware of deeds, pros, and cons of running part of the group.
- The members are from their panchayat only and well known to each other.
- The all members must be signed out on deed and follows all rules and regulations make by them. Leaders must be held accountable to the members.
- Members must see that forming local organisations will further their own objectives and respond to their needs.
- Ensure there is no domination by powerful members. Encourage groups to evolve at a pace that is comfortable for the members.
- There must be one goal, one mission, one vision.
- Ensure that leaders have the technical and management skills required for effective performance.
- There must be continuous training programmes to develop skills and provide knowledge about new technologies in agriculture.
- The extension worker's plan for the formation and development of a producer group must also have a clear exit strategy so that the group is able to take charge.

### **8. Research methodology**

The present study has used both secondary and primary data to making farmers into entrepreneurs and to study the role of e-NAM, APMC, wholesaler, and retailers on agricultural activities and on farmers income. Journals, research papers, articles, Wikipedia, government sites, NSSO report etc., are used to collect secondary data on the role of above stakeholders of agricultural marketing on agricultural activities and on farmers income. The primary data has been collected through a simple survey method by the help of close ended questionnaire structure from farmers of Cuttack district of state Odisha.

#### **Role of E-NAM in agriculture activities and on farmers income**

Electronic National Agriculture Market (e-NAM) is a pan-India online trading platform for agricultural commodities developed by Nagarjuna Fertilizers and Chemicals Limited (NFCL). Launched on April 14th 2016, it is driving agricultural trade towards the objective of remunerative prices for farmers by plugging the rampant trade malpractices in mandis. It is managed by Small Farmers' Agribusiness Consortium (SFAC) under the Department of Agriculture, Cooperation and Farmers' Welfare. E-NAM links agricultural produce market committees (APMCs) across all states with online trading of commodities. The farmer is the primary stakeholder of e-NAM platform also provides better business opportunities to other stakeholders like traders, commission agents and exporters with through a unified and extensive marketplace. The platform aims to help to all stakeholders discover better prices and multiple facilitates for smooth marketing of the agricultural products through mobile application and web applications. This is done by providing information and services related to agricultural commodities:

- The agricultural productions that are available in various mandis along with their suitable prices

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and demand of products.

- The current prices of various agricultural crops.
- Demand and supply trade offers for available commodities in the mandis.
- Through the previous statistical information, e-NAM platform helps farmers bargain a better return for their produce.
- The farmers and other stakeholders should register themselves with the e-NAM platform to have access to its services.

Electronic National Agriculture Market (e-NAM) has been updated with two new features of software so that farmers and other stakeholders need not have to travel a long distance to sell their harvesting crops. Through the new updates of e-NAM, the farmers and other stakeholders will be able to access buyers through the mobile software from the nearest warehouses and will be able to contact to the e-NAM mandis from their own agricultural field or villages. Presently, e-NAM platform faces various issues due to both the lack of cooperation from the state governments and stakeholders involved and due to the limitations in the availability of underdeveloped supportive infrastructures of e-NAM mandis. Administration of agriculture marketing is carried out by respective states government according to their agricultural marketing principles and regulations as agriculture and marketing's are state subjects under the Indian constitution. Each state has its own APMC Act, with varied provisions. The lack of consistency and compatibility has led to the fragmentation or segmentation of agricultural markets, where each state functions as a separate market regulation. Every state is further divided into several market areas. These separate areas formed will be administered by a separate Agricultural Produce Marketing Committee (APMC), which imposes its own marketing regulation. This fragmentation of markets even within the state level hinders the free flow of agricultural produces between different markets. Multiple handling of agricultural commodities and multiple levels of mandi charges lead to escalated price for the consumers without equivalent benefits for the farmers. These challenges are addressed by e-NAM by creating a unified market via online trading platform both at the state and at the national level. For seamless operations, e-NAM mandates three changes in the agricultural marketing laws of states. This includes:

1. Provide for electronic trading
2. Provide single trading licences that are valid in all mandis in a state
3. Provide a single-window levy of transaction fees
4. Only the states/UTs that have completed these pre-requisites will be eligible for assistance under this scheme.
5. Also, the State Marketing Boards/APMCs must enable the promotion of e-auction platform.

The states must also ensure that the mandis are integrated with NAM through internet connectivity, hardware, and assaying equipment. The payments for the farmers will be provided with valid licence linked with Aadhaar through Direct Benefit Transfer by state APMCs. E-NAM provides improved and increased options for selling produce, leading to fair competition within the market. It allows farmers to have access to the national-level market with prices based on the quality of their produce. It provides higher returns for farmers and a reduction in bookkeeping and reporting system as they are now generated automatically. Better monitoring and regulation of traders and commission agents. A completely transparent system that eliminates scope for intentional or unintentional manipulation of tendering/auctioning process. As tendering/auctioning process takes place through e-NAM, manpower requirement is reduced, it can be used to forecast the arrivals and prices and availability of the activities of each APMCs is on the government website.

### **Role of APMC in agricultural activities and on farmers income**

Agricultural market in most of our country managed and regulated under the state APMC Acts 2003. The whole markets are governed by agricultural market committee constituted by the respective state. Once a particular geographical area is declared an agricultural market area and falls under the jurisdiction of a APMC Market Committee, no person or agency is allowed freely to carry on wholesale marketing activities. The monopoly of Government regulated wholesale markets has prevented development of a competitive marketing system in the country, providing no help to farmers in direct marketing, organizing retailing, a smooth raw material supply to agriculture processing companies and adoption of innovative marketing system and technologies. Central Governments have recognized the importance of liberalization of agriculture markets marketing system. Task Force on Agricultural Marketing Reforms set up by the Ministry has suggested

promotion of new and competitive Agricultural Market in rural and urban sectors to encourage direct marketing and contract farming programmes, facilitate industries and large farm producer companies to undertake procurement of agricultural commodities directly from the farmer's fields and to establish effective linkages between the farm production and retail chains. There is a desirable to integrate agricultural production with national and international markets to enable farmers to undertake market driven production plan and adoption of modern marketing practices.

Legal persons, growers and local authorities are permitted to apply for the establishment of new markets for agricultural produce in any area. Under the existing law, markets are setup at

the initiative of State Governments alone. Consequently, in a market area, more than one market can be established by private persons, farmers, and consumers. There will be no compulsion on the growers to sell their produce through existing markets administered by the Agricultural Produce Market Committee (APMC). However, agriculturist who does not bring his produce to the market area for sale will not be eligible for election to the APMC. Separate provision is made for notification of 'Special Markets' or 'Special Commodities Markets' in any market area for specified agricultural commodities to be operated in addition to existing markets. The APMC have been made specifically responsible for: ensuring complete transparency in pricing system and transactions taking place in market area; providing market-led extension services to farmers; ensuring payment for agricultural produce sold by farmers on the same day; promoting agricultural processing including activities for value addition in agricultural produce; and publicizing data on arrivals and rates of agricultural produce brought into the market area for sale. Setup and promote public private partnership in the management of agricultural markets.

#### **Role of wholesalers and retailers on agricultural activities and on farmer**

A wholesaler is a person or group of persons who sells agricultural products in bulk to various retailers, outlets, restaurants, and consumers for onward sale, either directly or through a middleman or by agents. Wholesalers can sell their products at a lower price as they are selling in bulk, which reduces the handling time and various costs involved. Wholesale markets can either be primary source market, or terminal markets, or local market yard situated in or close to farmers village, or a secondary market where sales all agricultural commodities. Wholesaling market constructs the economic functions buying and selling of agricultural produces in terms of price formation by allowing the demand and supply of commodities to coverage to establish a single price. The wholesaler market may also perform storing and warehousing of agricultural produces as well as allowing transportation of produces from agriculture field to wholesale market. In this marketing system wholesalers are direct meet to farmers at their farmland to purchasing all productions at a low cost than market price. In this marketing system the farmers are suffer in many ways and the wholesalers are double profit than farmer. Wholesalers are helps by financially to farmers when he starts the cultivation of crops and this method of marketing one side satisfaction only to wholesalers.

Retailing is a market were selling of consumer goods or services to customers through multiple sales channels of distribution to earn more profit. The term "retailer" is typically applied where

services provided by retailers to fills the small orders of large number of customers, who are end-users. Retailors purchases agricultural commodities from wholesalers at a higher price and sales to final users on very high prices.

#### **9. Conclusion**

NAM has a huge potential to increase the farmer's income and prevent exploitation by middlemen. To realise this, it is necessary to undertake reforms to ensure transparency and cost-efficiency of the mechanism is achieved. It was also found that e-NAM platform provides has significant impact on agricultural activities, entrepreneurial units, and farmers income. The study observed that there has been strong relationship between e-NAM platform and entrepreneurship development in agricultural marketing. It was found from the study that the role of APMC's was found insufficient to promote manufacturing and entrepreneurial activities in rural areas. APMC mandis has significant impact on agricultural industrial production and index of consumer non-durables agricultural commodities. entrepreneurship development among agricultural entrepreneurs could lead to an improvement in their competencies which in turn would make them capable of exploring new opportunities and thereby become more empowered. The poor plight of agricultural entrepreneur requires immediate attention of the Governments and the society to provide more entrepreneurial trainings and to create an entrepreneurial mindset among the small farmers in rural areas. Entrepreneurial training rural farmers for improving managerial competencies around finance, marketing and strategic management would help to create a rural farmers entrepreneurship panchayat to achieve better economic and social empowerment. Entrepreneurial programmes

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would be helpful in increasing technical knowledge, new methods of production, and domestic demand for locally produced goods and in drawing attention of educated youths towards farmers entrepreneurship

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