

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2678
ANSWERED ON:07.03.2003
FUTURES TRADING IN AGRICULTURAL PRODUCTS
SRIPRAKASH JAISWAL

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government have allowed futures trading in 54 commodities, including wheat, rice, gold, silver, copper, oilseeds and pulses in a major liberalization of the agricultural produce market;
- (b) if so, the facts thereof; and
- (c) the reasons for taking a decision and its impact on farmers and traders?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b) Yes, Sir. The details of the 54 commodities allowed for futures trading are as under:-

FOODGRAINS AND PULSES

Wheat, Gram, Jowar, Bajra, Maize, Ragi, Small Millets (Kodan Kulti, Kodra, Korra, Vargu, Sawan, Rala, Kakun, Samai, Vari & Banti) Tur (Arhar), Urad (Mash), Mung, Moth, Masur, Kulthi, Peas, Lakh (khesari), Barley, Guar, Rice or Paddy, Arhar Chuni, Mung Chuni, Tui Dal (Arhar Dal), Urad Dal, Mung Dal, Gram Dal, Khandsari Sugar.

OILSEEDS, OILS AND OILCAKES

Linseed, Linseed oil, Linseed Oilcake, Celeryseed, Cotton pods, Cotton Yarn, Cotton Cloth, Art Silk Yarn, Raw Jute (including Mesta).

SPICES

Methi, Coriander seed, Aniseed, Pepper, Betelnuts, Cardamom, Chillies, Cinnamon, Cloves, Ginger, Nutmegs.

METALS

Gold, Silver, Silver Coins, {Copper, Zinc, Lead or Tin}.

OTHERS

Shellac, Seedlac, Chara or Berseem (including charaseed or berseemseed), Camphor, Gram Husk (Gram Chilka).

(c) This is in line with the liberalization of the economy in general and of agriculture in particular. Since prices of commodities are increasingly decided by market forces including imports, providing risk management tools like futures contracts become important. Farmers, processors, traders and other stake holders will benefit in terms of price discovery, i.e., knowing future prices in advance and taking decision on farming, stocking and exporting/importing.