

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

STARRED QUESTION NO:291
ANSWERED ON:08.08.2003
FUTURES TRADING IN SUGAR
A. VENKATESH NAIK

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Government have decided to allow futures trading in sugar;
- (b) if so, the details thereof;
- (c) whether the futures trading in sugar is likely to bring about stability in price;
- (d) if so, the details in this regard;
- (e) the number of applications received for futures trading in sugar during the year 2002-2003 and current fiscal year; and
- (f) the benefits which the farmers and consumers are likely to derive from such trading?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (f) OF STARRED QUESTION NO.291 DUE FOR ANSWER ON 08.08.2003 IN THE LOK SABHA REGARDING FUTURES TRADING IN SUGAR.

(a) & (b): Yes, Sir. Government approved futures trading in sugar on 26.04.2001 and the notification was issued on 14.05.2001.

(c), (d) & (f): Futures trading in sugar is expected to help price discovery, i.e., in knowing prices of sugar likely to prevail in future, in guarding against future price risks or hedging, and in price stabilisation since the fluctuations tend to get moderated. Futures trading provides for risks management in trading and farmers, as well as consumers are likely to benefit through price discovery and stabilisation.

(e) During the year 2002-2003 one application was received.