

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

UNSTARRED QUESTION NO:5250
ANSWERED ON:27.04.2010
WITHDRAWAL OF BAN ON FUTURE TRADING
Kataria Shri Lal Chand

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

- (a) whether the Government has withdrawn the ban on future trading of wheat and rice;
- (b) if so, the details thereof; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K. V. THOMAS)

(a) & (b): Yes Madam. Forward Market Commission (FMC), the regulator of future trading withdrew the future trading in wheat on 14-05-2009. The decision to lift the suspension of wheat futures was supported by stability in the wheat market and the expectation of a second consecutive bumper harvest in 2009. The suspension of futures trading in rice, however, continues.

(c): Futures trading in rice was suspended on 27-02-2007 and continues to be suspended since then. Future trading in rice was suspended to address the concerns of the Govt. about the escalating prices of certain essential commodities and strong inflationary expectation in the economy as a whole. In response to this, the FMC, as a measure of abundant caution suspended futures trading in Wheat and Rice. Considering the continued concerns of the govt with regard to rice, especially due to the expected fall in the production in the wake of bad monsoon the suspension of futures trading in rice has not been withdrawn.