

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

UNSTARRED QUESTION NO:19
ANSWERED ON:23.02.2010
FUTURES TRADING IN OIL
Balram Shri P.

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

- (a) whether the edible oil industry has urged the Government to tighten futures trading in edible oils and oilseeds; and
- (b) if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a)& (b): Representatives of the edible oil industry have made a representation in which they made following suggestions:

- (i) Futures contracts for oilseeds should be restricted to current plus one month only and a minimum quantity of delivery should be made compulsory;
- (ii) Change the delivery logic of the contract to sellers` option and remove the penalty for delivery default;
- (iii) Impose additional special margins on buyers;
- (iv) All Exchanges should have uniform settlement date;
- (v) Introduce contracts for February & March months in rape/mustard seed;
- (vi) There should be no trading on Saturdays; and
- (vii) Open new delivery centers at the main producing centers of soy oil, Soyabean and rapeseed as well as at the Ports.

The commodity market Regulator,Forward Markets Commission was asked to take appropriate action on the said representation.They have taken action/provided their views. The same is under examination.