

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1295  
ANSWERED ON:18.07.2014  
SPECULATION ON AGRICULTURAL COMMODITY TRADING  
Yadav Shri Om Prakash

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government has curtailed speculation on agricultural commodity trading to control food inflation; and  
(b) if so, the details thereof?

**Answer**

FINANCE MINISTER (SHRI ARUN JAITLEY)

(a & b) The Government has taken the following steps against hoarding and black marketing and thereby to control food inflation:

1. Advisory issued to State Governments to take effective action against hoarding & black marketing under the Essential Commodities Act, 1955 and the Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980.
2. Imposition of stock holding limits on onion & potato under Essential Commodities Act and empowering State Governments/Union Territories (UTs) to fix the stock limits on traders w.e.f. 03.07.2014.

Several studies such as the report of Committee set up by the Government under the chairmanship of Prof Abhijit Sen (April 2008), and RBI (Annual Report, 2009-10) have concluded that there is no causal relationship between futures trading and inflation. However, the Forward Market Commission (FMC) keeps a constant vigil on the movement of futures prices and takes measures for addressing excessive speculation and price volatility in the commodity futures market. Recently, the FMC has disallowed fresh positions in the potato contracts in July, August and September of 2014 after studying the trading patterns in the potato contracts. Commodities like onion, fruits, vegetables (except potato), eggs, fish or other perishables are not traded on the futures market.