

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UN-STARRED QUESTION NO.: 1780

TO BE ANSWERED ON MONDAY, JULY 31, 2023/SRAVANA 9, 1945 (SAKA)

Ban on Agricultural Commodities Futures Trading

1780. SHRI THIRUMAAVALAVAN THOL:

Will the Minister of **FINANCE**

be pleased to state:

- (a) whether the Government has banned Agricultural commodities futures trading;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the agricultural commodities futures trading is beneficial to the farmers;
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (b): Given the unusual situation arising from the Covid-19 pandemic leading to supply disruptions and price volatility in international and domestic markets, it was considered important that all possible measures be taken to maintain stability in the prices of food items. In this regard, futures trading in seven agri-commodities namely, Paddy (non-basmati), Wheat, Chana, Mustard seeds and its derivatives, Soya bean and its derivatives, Crude Palm Oil and Moong was suspended on 19 December 2021, which has been extended till 20 December 2023.

(c) to (e): The agricultural commodities futures trading is expected to provide various direct and indirect benefits to commodity value chain participants, including farmers, for discovery of prices and hedging of price risk.
