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Farmer participation on NCDEX up through farmer producer firms

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Agri commodity exchange National Commodity and Derivatives Exchange (NCDEX) has witnessed increased participation of farmers on its platform in recent months. For the first time since inception of commodity futures, 30,500 farmers from 29 FPOs, have used the platform to hedge and lock in the price of their produce. Over 1,100 farmers have also benefited from access to structured finance, with around Rs 200 crore of finance extended against produce deposited in NCDEX accredited warehouses.

“Market access is an important enabler for improving farmer incomes and futures is an important tool for managing price risk. It is indeed heartening to see farmers make



Samir Shah, MD & CEO, NCDEX.

The futures segment on NCDEX registered around 10% y-o-y growth in open interest as on March 31. The average open interest for the month stood at Rs 4,778.55 crore from Rs 4,344.13 crore as compared to the same period last year.

The Agri futures segment registered monthly total volume of `64,077.48 crore. The top three commodities were guar seed, castor and refined soya oil.

The total traded volume for March 2017 for guar seed was Rs 12,684.58 crore with over 158.41% y-o-y rise, while that for castor seed was Rs 10,382.43 crore (corresponding period previous year contracts were not available for trading), and refined soya oil stood at `8,875.19 crore with over 25.42% y-o-y fall.

The Exchange platform saw deliveries of 59,401 tonnes goods in March 2017.

NCDEX group company — NeML (NCDEX e Markets Limited) has established itself as an electronic auction and services company. Over 3 lakh farmers have registered across 178 APMC mandis in Karnataka under unified market platform (UMP) initiative and have been benefiting through electronic price discovery mechanism.

NeML has also made inroads into the fresh produce business by building market linkages farmers of apple, strawberry, kinnow, and litchi from Maharashtra, Himachal Pradesh, Bihar, Rajasthan and Punjab, helping connect them to national buyers and realise fair prices for their produce, the company said.

In Maharashtra, Mahafed — the Maharashtra Federation of (FPCs) has already begun operations as an intermediary trader. According to Yogesh Thorat, MD, Mahafed, trading has begun on a pilot basis in maize, soybean and haldi om Dhule, Nandurbar, Shingoli, Sangli, Vidarbha and Akola for member FPCs.

We are currently looking at short term contracts and have a 20-day credit line , Around 40 tonnes of maize has been traded on the exchange and there are plans to add more