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The FPCs had also entered the fray of tur procurement and were appointed by the Small Farmers Agro Business Consortium to procure 35,000 tonnes of tur.

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Written by Partha Sarathi Biswas | Pune | Published: March 26, 2017 4:34 am

On March 28, the Farmer Producer Companies (FPCs) from Maharashtra will take a step which, they hope, will enable farmers to plan and execute the crop cycle more economically. MahaFPC, the apex federation of FPCs in the state, will be signing up on the National Commodity & Derivatives Exchange Limited (NCDEX) platform to trade in future markets on behalf of its members.

Yogesh Thorat, managing director of MahaFPC, said they will be locking the price of maize for April 20, next Tuesday, starting the journey of future trading by the FPCs. “Three FPCs from Jalna and one from Aurangabad have decided to enter the domain... we hope to increase the numbers based on our experience,” he said.

Thorat said they were aiming for an actual delivery in the second week of April. “Delivery of the commodity will be done at the NCDEX accredited godowns,” he said. Since last year, MahaFPC has been working towards empowering and enabling farmers through FPCs to increase farm level incomes.



Thorat said extensive programmes were undertaken to help the FPCs understand the registration process as well as to get them to understand the delivery mechanism. “MahaFPC will be acting as the ‘next to broker’ and managing the business on behalf of the FPC,” he said.

Future trading on NCDEX was devised as an alternate market for farmers to trade their commodities. The concept of future price is expected to help farmers understand the probable price of the commodities well in advance, to plan their crop cycle well.

However, there have been repeated allegations that the NCDEX platform has been used by speculators to manipulate the commodity markets. It has also been alleged that a handful of traders use this platform and there is hardly any physical delivery of the traded good.

Addressing these concerns, Thorat said as they are farmers themselves, speculative trade will not take place.

“We will ensure physical delivery of the goods. Also, the future price will help us plan our crop cycle better,” he said.

In case the prices are suitable, MahaFPC will also go for spot trading, said Thorat. “We hope that future trading will help us mitigate the risk involved in agriculture in terms of fluctuating prices,” he said.

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