



NCDEX

Pragati ka Solid Exchange

Mitigating Price Risk in the Feed Industry through Hedging

-NCDEX IPFT partners with CLFMA to generate awareness on agri-commodity markets and different hedging tools

Mumbai, May 30, 2018: NCDEX Investor (Client) Protection Fund Trust participated in 'CLFMA CFO Forum 2018' today to create awareness on agri commodity and derivatives market among the participants. By participating in different sessions, National Commodity and Derivatives Exchange Ltd (NCDEX), one of the leading commodity Exchanges in the country, emphasised on the importance of using different hedging tools in the feed industry, which can help them realize better prices and also can minimise the market price risks.

"Indian livestock industry, which has been growing at a steady rate year on year, is exposed to high price risk. Feed industry uses maize and soybean as inputs for manufacturing cattle and poultry feeds, and any adverse price movement can erode whole profit margin. In order to safeguard market price risks, hedging instruments like Futures and Options are introduced, which will help farmers and agri value-chain participants fetch better price realization for their agri-produce, thus will enhance their income", said a NCDEX representative while attending the session.

NCDEX, as one of the leading commodity exchanges is always committed towards educating its stakeholders to help understand commodity and derivatives market in an easy to decode manner. "We always undertake initiatives for benefiting our stakeholders in agriculture value chain system and strive to further strengthening commodities market. We are glad to be a part of this event, as this kind of interactive platforms help enhancing awareness about commodity market eco-system", said a NCDEX representative.

These initiatives are a part of NCDEX IPFT's agenda of making the public aware of the various facets of the commodity market and its multifarious hedging instruments. The main focus of such initiatives is to provide information about how to link with commodity exchange and how to get benefits through Farmer Producer's Organizations (FPOs). NCDEX has continuously been conducting many capacity building meetings and training programs with FPOs to explain the benefits of trading on the exchange platform. Beside risk mitigation and improved price discovery, the Exchange has also helped many FPOs with improved and transparent storage and warehousing facilities. As of April 2018, around 75,000 farmers have traded on the NCDEX platform through 71 FPOs, and the FPO national footprint has now penetrated to 12 States.

About NCDEX Group: As India's leading online exchange, NCDEX is where customers repose trust. With a widely held shareholding, it enjoys the distinction of being the only commodity exchange in the country promoted by national-level institutions. The institutional promoters and shareholders of NCDEX are prominent players in their respective fields and bring with them institution building experience, trust, nation-wide reach, technology and risk management skills.

The wholly owned subsidiaries of NCDEX comprise of NCDEX e Markets Limited (NeML) - the online spot markets and services company, NCDEX Institute of Commodity Research (NICR) – the education and outreach arm, National Commodity Clearing Limited (NCCL) – offering clearing and settlement services and National E Repository Limited (NERL) – the online warehousing repository regulated by WDRA.

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