**EXECUTIVE SUMMARY**

**Online Seminar on "Agriculture Market Reforms: Price Volatility and Risk Management”**

 **held on Monday, July 13, 2020**

IMC Chamber of Commerce and Industry in association with MCX- IPF organized Online seminar on Agriculture Market Reforms: Price Volatility and Risk Management on Monday, July 13, 2020 at 4.00pm.

Mr. Rajiv Podar, President, IMC, in his welcome address stated that the pandemic's impact on agriculture is complex and varied across diverse segment. The recent reform measures announced by the government will provide an impetus for the agriculture sector while in the long run it will ensure India’s food security and supply chain in a self-sufficient manner.

Mr P S Reddy, MD & CEO MCX gave special address. He highlighted how these reforms will promote multiple marketing channels for Farmers to sell their produce at the location of their choice, within or outside the APMC yards. It will also create infrastructure at farm level, in terms of village level procurement centres, warehouses, quality maintenance, standardization, aggregation, processing and packing etc. It will bring the desired competition in the Agri Marketing Ecosystem, including the physical and electronic markets, he added. There is a need of Spot Market for various products. Creation of grading and standardisation facilities will add value to the farm output fetching a better price for the farmer and working on agriculture would create more business.

Mr. G. Chandrashekhar, Economic Advisor, IMC and Director, IMC-ERTF moderated the event.

In his presentation, the moderator highlighted the current scenario of the agricultural economy and how the reforms, when implemented effectively, are expected to benefit growers and other stakeholders. He explained the nuances of the three major reforms and asserted that value chain participants must take advantage. He added that structural issues of agriculture deserved to be addressed.

Mr. S.K. Goel, Former Additional Chief Secretary, Agriculture and Marketing, Government of Maharashtra, stated that there is a potential opportunity to engage farmers in agricultural commodities supply chains and strengthen the marketing system in the country with necessary measures. The institutional mechanisms in place aiming for the overall development of rural areas augmenting farm as well as non-farm employment opportunities. He pointed out that in the short-term, the polices would have an immediate intervention in market extension and reduction in supply chain disruptions. It would also incentivise corporates for developmental activities in rural areas.

Mr. Somnath Chatterjee, Head Procurement & Logistics, ITC Limited (Food Division) said due to COVID-19 and reforms, there is a lot more consumer awareness and concern today about food safety and hygiene. There is a traction for value chain that supports and assures the consumers on safety and hygiene. Therefore, we now see more interest in Farmland products, hence the need for better resources and formation of clusters of direct sourcing. He also Stressed on necessity of a robust hedging platform to hedge price risk in number of commodities as a period of lockdown saw crude falling 70 percent palm oil 30 percent and corn wheat and potato too saw huge volatility hurting FMCG companies.

Mr. Vinay Kotak, Director, Kotak Commodity Service Ltd stated that with the current reforms along with investment in the sector and knowledge sharing, what can be expected is a reliable market for the farmers and buyers in close vicinity, he said adding that institutional credit availability to remove distress among farmers and knowledge about sowing to maximise produce. He explained about the risk categories involved in commodities and improvement in Cotton Contracts.

Mr. Rishi Nathany, Head Business Development and Marketing, MCX stated that Long term reform measures is an opportunity to strengthen agricultural commodity supply chains and marketing system. There is a need of hedging in sensitive commodities like pulses sugar etc. He said that MCX is seeking approval from market regulator SEBI to relaunch potato futures.

The seminar ended with the vote of thanks by Mr Tanil Kilachand Co Chairman IMC ERTF .

Anita N

Officer in Charge