MCX signs MoU with Indian Cotton Federation (ICF)

Mumbai, August 20, 2018: Multi Commodity Exchange of India Ltd (MCX) signed an MoU with Indian Cotton Federation (ICF) at a conference 'Gobal Cotton Scenario' jointly organised by ICF and Indian Cotton Association (Bathinda) on Friday, August 17, 2018, in Coimbatore. ICF, formerly known as SICA, the South India Cotton Association is a premier organization representing the Textile Industry, Cotton Brokers & Cotton Growers of India.

The MoU with MCX will enable ICF's members to effectively participate in the Exchange's knowledge-sharing initiatives to understand the benefits, techniques and strategies of risk management using cotton futures contracts. The agreement is further designed to facilitate potential collaboration in areas such as organising awareness events for cotton value chain participants, including farmers across the southern belt; installation of price ticker board at Textile parks; and joint representation to Ministries & Regulators for further development of the sector, among other activities.

India is the leading producer of cotton in the world, followed by China and the US. As per the Government's third advance estimates, Indian cotton production in 2017-18 (July-June) is estimated at 3.6 crore bales, higher than last year's production of 3.4 crore bales. According to Cotton Association of India (CAI), the country's cotton exports are estimated to be around 100 lakh bales (of 170 kg each) during the 2018- 19 (marketing year) period. The overall cotton shipment is likely to cross 70 lakh bales during the ongoing 2017-18 marketing year (October to September).

During the MoU signing ceromony, **Mr. Mrugank Paranjape, MD & CEO, MCX** said "I am extremely pleased with this development, as this MoU signals a long term engagement between MCX and ICF to work together towards undertaking several educational and awareness activities to sensitize cotton stakeholders about the modalities of using the derivatives platform. In the current scenario, awareness on importance of risk management for cotton stakeholders is crucial as several factors such as vagaries of weather, pest attacks and exports have a bearing on cotton production and prices"

Mr J Thulasidharan, President, Indian Cotton Federation said, "We are happy to have signed this MoU with MCX."

"Price volatility has been significant in cotton and has been affecting its stakeholders. Hence it is important for all stakeholders of the cotton industry – farmers, exporters, ginners and millers – to undertake appropriate risk management in order to stay profitable and competitive. Thanks to MCX for the market-based tools such as cotton futures that provide the most effective risk management practices today', Mr. Thulasidharan added.

About MCX:

Having commenced operations on November 10, 2003, Multi Commodity Exchange of India Limited (MCX) is India's first listed, national-level, electronic, commodity derivatives exchange. It is also the first exchange to introduce commodity options in India. In the financial year 2017–18, the market share of MCX was 89.58%. MCX offers the benefits of fair price discovery and price risk management to the Indian commodity market ecosystem. Various commodities across segments are traded on the Exchange platform. These include bullion, energy, metals and agri commodities. The exchange has forged strategic alliances with various international exchanges, as well as Indian and international trade associations. For more information about MCX and its products visit www.mcxindia.com.

About ICF:

ICF, Indian Cotton Federation formerly known as SICA, The South India Cotton Association is a premier organization representing the Textile Industry, Cotton Brokers & Cotton Growers of India. ICF has developed cotton Model Farm at its farm land to give field demonstration to cotton Farmers on the use of quality seed & inputs and the modern cotton farm management methods to get quality cotton and maximum yield. It also promotes and co-ordinates contract farming for the benefit of farmers/mills. ICF earnestly takes up problems of cotton farmers and cotton trade with the government and private agencies for progressive solutions.

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