MCX signs MoU with the Government of Maharashtra to Thrust 'Cotton Mission'

Aimed at empowering cotton farmers in Vidarbha region

Mumbai, June 28, 2018: Aimed at enabling a 'Cotton Mission' to empower cotton farmers in Vidarbha region (Maharashtra), Multi Commodity Exchange of India Limited (MCX), India's No. 1 Commodity Exchange signed a Memorandum of Understanding with the Government of Maharashtra today at MMRDA Auditorium, Mumbai. The MoU was signed by Mr. Mrugank Paranjape, MD & CEO, MCX and Shri Bijay Kumar, Additional Chief Secretary-Agriculture & Marketing, in the gracious presence of Honourable Chief Minister of Maharashtra, Shri Devendra Fadnavis. This joint initiative aims to create a value chain with final market linkages to support thousands of cotton farmers in Akola, Amravati and Wardha.

Under the beneficial ambit of this MoU, MCX will partner with the Department of Agriculture, Government of Maharashtra and other government agencies to work closely with Farmer Producer Organizations (FPOs) helping them to connect to the exchange's organised market network and enabling them to build their capacities.

MCX already has accredited warehouses in Yavatmal and Jalna. To further facilitate delivery of cotton in the region, the exchange plans to provide delivery facilities in 3 or more new locations in Vidarbha under the Cotton Mission.

The cotton futures market provides an efficient platform for farmers to move up the value chain and increase their realizations. The underlying of MCX cotton futures being ginned cotton, cotton farmers are incentivised to process their produce and sell in the physical market or use the exchange mechanism to deliver and/or hedge to get remunerative prices. This would support Vidarbha's cotton farmers in their upliftment and is expected to contribute to doubling their incomes by 2022-23, as envisaged by the Government of India.

Shri Devendra Fadnavis, Hon'ble Chief Minister of Maharashtra, Government of India said, "Commodity exchanges greatly influence a large section of society due to the trading of various agro commodities, base metals and bullion. They can play a key role for inclusive growth and development of commodity markets and market infrastructure. In this regard, MCX's special focus on the cotton-growing Vidarbha region and its vision of enabling a 'Cotton Mission' in Akola, Amravati and Wardha is highly appreciable and will greatly improve the lives of the farmers in the region. Its assistance in creating a value chain with a final market linkage will help the farmers in planning their crop as well as demanding the right value in the market for their produce. I wholeheartedly appreciate MCX's endeavour in leading this mission and assure the government's full support for this project."

Mr Mrugank Paranjape, MD & CEO, MCX said, "The 'Cotton Mission' aims to empower cotton farmers in Vidarbha—one of the largest cotton-growing regions in the country. It plans to do so by enhancing the market linkages that will provide the right support to the farmers in the region. Under this programme, the exchange will work with the government to identify and create farmer groups, and work towards equipping these groups to access regulated markets that will enable them to participate in a transparent price discovery mechanism and sell their produce in a national market for better price realisation. Special emphasis will be given on farmers' training, education, and awareness so that they can plan and produce quality crop that is marketable as well as benefit from the existing infrastructure of the exchange. We stand committed to use the organised exchange mechanism to improve the economic power of the farmers and continue to act as a catalyst for the development of a robust commodity market eco-system. We are honoured to be associated with the government of Maharashtra in spearheading this initiative."

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.

For further details, Contact:
Shivani Sharma
Manager – Media Relations, MCX
Mobile: +91 9833376243
shivani.sharma@mcxindia.com