IMPORTANCE OF AGRICULTURAL COMMODITY FUTURES IN INDIA

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ABSTRACT
It is a well known fact that commodities play fundamental role in the most developing economies by creating income generation opportunities, providing food and export earnings to the producers of agricultural sectors. Commodity derivatives are well established market based instruments, still many bodies articulated a doubt on the suitability and usefulness of futures contract in developing the underlying agricultural based countries like India. So an attempt has been made to find out the importance of agricultural commodity futures. The study is based on primary data. Perception of participants of commodity futures market has been studied for the purpose. Result showed the significance of agricultural commodity futures market in terms of price discovery and risk management which allow farmers to take rational decisions regarding production and marketing of their yield to enhance their income. This mechanism can also strengthen the commodity futures market to attain the broader targets.