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ICEX set to add basmati rice and cardamom to its menu

BY PK KRISHNAKUMAR, ET BUREAU | JUN 27, 2019, 09.13 AM IST

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Kochi: The Indian Commodity Exchange (ICEX) is all set to add two more flavours to its menu of traded agro-commodities — **basmati rice** and **cardamom**. ICEX CEO Sanjit Prasad said the exchange will start trading in basmati rice from next month and in **cardamom** a few months later. ICEX currently averages a turnover of more than Rs 100 crore daily with five commodities - diamond, steel, rubber, pepper, and isabgol (husk). At present, more than 70 per cent of India's basmati rice output is exported and the product has no minimum support price. Persian Gulf countries, led by Iran, are the chief importers. "Exporters have suffered because of the price volatility in basmati. **Bankers** having huge exposure to the product are also in difficulty," Prasad told ET.

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Futures trading in basmati, he said, will benefit farmers, stockists and exporters as they will be able to hedge against price volatility. Besides, stocking basmati for a long period in the warehouses enhances aroma and reduces breakage at the time of dehusking, he said. ICEX is meeting growers, traders and exporters of the cardamom industry for launching the futures contract. "We are working on it as we feel it should benefit all the stakeholders when launched," Prasad said.

Cardamom prices have skyrocketed this year, breaching the Rs 5,000 per kg mark, a new high. The exchange launched isabgol contracts a month ago. India is a leading exporter of isabgol, which is considered a good source of dietary fibre. The cash crunch at NBFCs and slower growth in the economy have affected local prices of steel, an actively-traded commodity on the exchange. "Steel prices have dropped from Rs 39,900 last September to Rs 30,000/tonne now," Prasad said.

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