

MoU between NCDEX and IMD Sets Stage for India's First Weather Derivatives

- IMD's precision weather data to power climate-resilient agri-markets
- Paves way for India's first weather-indexed futures, aligned with crop cycles

New Delhi, July 03, 2025 - National Commodity & Derivatives Exchange Limited (NCDEX), India's leading agricultural commodity exchange, and India Meteorological Department (IMD), signed a landmark Memorandum of Understanding (MoU) on 26 Jun 2025. This strategic alliance lays the critical groundwork for the **launch of India's first weather derivatives**—a long-anticipated market instrument designed to help farmers and allied sectors hedge against **climate-related risks** such as erratic rainfall, heatwaves, and unseasonal weather events. With this partnership, NCDEX will develop a rainfall based derivative product, among others, using historical and real-time datasets sourced from IMD. These datasets are extensively graded and quality-verified, offering high-precision insights that can mimic real-world conditions with statistical accuracy. The weather product to be developed under this collaboration will enable seasonal and location-specific derivative contracts. They shall advance expertise on weather-related risks across agriculture, transportation, and allied industries.

Mr. Arun Raste, Managing Director & CEO, NCDEX, said, *"This partnership with IMD opens the door to a new era in commodity markets. Weather derivatives have long been a foundational need towards building a climate-resilient rural economy. With climate volatility increasingly affecting productivity and income of farmers, these instruments provide a market-based solution to weather risk. It gives me immense pleasure that NCDEX has taken the first step in bringing this innovation to India, empowering farmers, traders, and even sectors like tourism and transport to manage climate uncertainty more effectively."*

Dr. M. Mohapatra, DGM, IMD said *"IMD has always played a vital role in supporting agriculture and disaster resilience. He further said, "Through this collaboration with NCDEX, we are now extending our scientific capabilities into the financial domain, allowing weather data to become a powerful instrument of economic stability and market innovation."*

The collaboration will support **capacity-building, joint research, and training programs** for stakeholders including FPOs, agri-traders, policy think tanks, and analysts.

About NCDEX

National Commodity & Derivatives Exchange Limited (NCDEX) is a professionally managed online, multi commodity exchange focusing on revolutionizing India's agricultural sector. NCDEX is India's largest agricultural derivatives exchange. NCDEX was incorporated on April 23, 2003 as a public limited company and commenced operations on December 15, 2003 as a recognized association under the Forward Contracts (Regulation) Act, 1952. Effective from September 28, 2015, the Exchange became a deemed recognized stock exchange under the Securities Contracts (Regulation) Act, 1956 under the regulation of Securities and Exchange Board of India (SEBI). NCDEX's Raison d'etre is to serve as an efficient platform for Price Discovery and Price Risk Management and this has been consistently demonstrated over the past two decades. We offer a diverse range of products such as commodity futures, options in goods and index futures that open a plethora of opportunities to cater to the needs of various sets of participants in the agri value chain. Our product basket has been evolving over the years and it is our endeavor to have an expanding product portfolio including agri and non agri commodities and also offer financial products like different types of indices. Technology is core to Exchange functioning and we are the first domestic Exchange to operate from an Uptime-

certified Tier-IV data centre. The larger NCDEX Group through its subsidiaries, provides an integrated and holistic market infrastructure including Clearing & Settlement services, Repository services and even an e-Auction Platform. NCDEX is deeply committed to the national objective of upliftment and development of farmers and agricultural sector in general and our relentless efforts to connect the primary producer to the Exchange has paved the way for sustainable and inclusive growth of our agrarian economy. For more information, please visit: www.ncdex.com

About India Meteorological Department

India Meteorological Department (IMD) was established in 1875. It is the National Meteorological Service of the country and the principal government agency in all matters relating to meteorology and allied subjects. The mandate of IMD includes the following:

- To take meteorological observations and to provide current and forecast meteorological information for optimum operation of weather-sensitive activities like agriculture, irrigation, shipping, aviation, offshore oil explorations, etc.
- To warn against severe weather phenomena like tropical cyclones, norwesters, duststorms, heavy rains and snow, cold and heat waves, etc., which cause destruction of life and property.
- To provide meteorological statistics required for agriculture, water resource management, industries, oil exploration and other nation-building activities.
- To conduct and promote research in meteorology and allied disciplines.

For more information, please visit: <https://mausam.imd.gov.in/>

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