THE ESSENTIAL COMMODITIES (AMENDMENT) ORDINANCE, 2020

No. 8 of 2020

Promulgated by the President in the Seventy-first Year of the Republic of India.

An Ordinance further to amend the Essential Commodities Act, 1955.

WHEREAS for the purposes of increasing the competitiveness in the agriculture sector and enhancing the income of the farmers, the regulatory system needs to be liberalised while protecting the interests of consumers;

AND WHEREAS Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of article 123 of the Constitution, the President is pleased to promulgate the following Ordinance:
1. (1) This Ordinance may be called the Essential Commodities (Amendment) Ordinance, 2020.

(2) It shall come into force at once.

2. In section 3 of the Essential Commodities Act, 1955, after sub-section (1), the following sub-section shall be inserted, namely:-

'(1A) Notwithstanding anything contained in sub-section (1),—

(a) the supply of such food stuffs, including cereals, pulses, potato, onions, edible oilseeds and oils, as the Central Government may, by notification in the Official Gazette, specify, may be regulated only under extraordinary circumstances which may include war, famine, extraordinary price rise and natural calamity of grave nature;

(b) any action on imposing stock limit shall be based on price rise and an order for regulating stock limit of any agricultural produce may be issued under this Act only if there is—

(i) hundred per cent. increase in the retail price of horticultural produce; or

(ii) fifty per cent. increase in the retail price of non-perishable agricultural foodstuffs,

over the price prevailing immediately preceding twelve months, or average retail price of last five years, whichever is lower:

Provided that such order for regulating stock limit shall not apply to a processor or value chain participant of any agricultural produce, if the stock limit of such person does not exceed the overall ceiling of installed capacity of processing, or the demand for export in case of an exporter:

Provided further that nothing contained in this sub-section shall apply to any order, relating to the Public Distribution System or the Targeted Public Distribution System, made by the Government under this Act or under any other law for the time being in force.
Explanation.— The expression “value chain participant”, in relation to any agricultural product, means and includes a set of participants, from production of any agricultural produce in the field to final consumption, involving processing, packaging, storage, transport and distribution, where at each stage value is added to the product.'

RAM NATH KOVIND,
President.

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DR. G. NARAYANA RAJU,
Secretary to the Govt. of India.