

Bill Summary

The Essential Commodities (Special Provisions and Rajasthan Amendment) Bill, 2020

- The Essential Commodities (Special Provisions and Rajasthan Amendment) Bill, 2020 was introduced in and passed by the Rajasthan Assembly on November 2, 2020. The Bill amends two central Acts, the Essential Commodities Act, 1955, and the Essential Commodities (Amendment) Act, 2020, in their application to the state of Rajasthan. It seeks to empower the state government to control production, supply, and distribution of essential commodities. The Bill will override any other law currently in force.
 - **Regulation of essential commodities:** The 1955 Act empowers the central government to control the production, supply, distribution, storage, and trade of essential commodities. These commodities include: (i) medicines, (ii) fertilisers, (iii) foodstuff, including edible oilseeds and oil, (iv) petroleum products, and (v) seeds of food crops, and cattle fodder.
 - The 2020 Amendment Act provides that the central government can regulate the supply of certain food items (as may be notified), including cereals, pulses, potato, onions, edible oilseeds, and oils, only under extraordinary circumstances.
- Such circumstances include: (i) war, (ii) famine, (iii) extraordinary price rise, and (iv) natural calamity of grave nature. Further, the 2020 Amendment Act specifies that stock limits should be imposed only based on price rise. A stock limit may be imposed on agricultural produce only if there is: (i) a 100% increase in the retail price of horticultural produce, or (ii) a 50% increase in the retail price of non-perishable agricultural foodstuffs. The increase will be calculated over the price prevailing twelve months ago, or the average retail price of the last five years, whichever is lower.
- The Bill adds that the state government will also have the powers to: (i) regulate the production, supply, and distribution of essential commodities, and (ii) impose stock limits, under certain extraordinary circumstances. Such circumstances include: (i) famine, (ii) price rise, (iii) natural calamity, or (iv) any other situation.
 - The state government may issue directions or notify Rules to give effect to the provisions of the Bill. The Bill will come into force on the date notified by the state government in the Gazette.

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