

## **Essential Commodities Act, 1955**

The Essential Commodities Act, 1955 was enacted to ensure easy availability of essential commodities to the consumers and to protect them from exploitation by unscrupulous traders. The Act provides for regulation and control of production, distribution and pricing of commodities, which are declared as essential for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices. Most of the powers under the Act have been delegated to the State Governments.

Using the powers under the Act, various Ministries/Departments of the Central Government have issued Control Orders for regulating production/distribution/quality aspects/movement etc. pertaining to the commodities which are essential and administered by them.

The Essential Commodities Act is being implemented by the State Governments/UT Administrations by availing of the delegated powers under the Act. The State Governments/UT Administrations have issued various Control Orders to regulate various aspects of trading in Essential Commodities such as food grains, edible oils, pulses kerosene, sugar etc. The Central Government regularly monitors the action taken by State Governments/UT Administrations to implement the provisions of the Essential Commodities Act, 1955.

The items declared as essential commodities under the Essential Commodities Act, 1955 are reviewed from time to time in the light of liberalized economic policies in consultation with the Ministries/Departments administering the essential commodities and particularly with regard to their production, demand, and supply. From 15 February 2002, the Government removed 11 classes of commodities in full and one in part from the list of essential commodities declared earlier. In order to accelerate economic growth and to benefit consumers, two more commodities have been deleted from the list from 31 March 2004. At present the list of essential commodities contains 15 items.

List of commodities declared essential under the Essential Commodities Act, 1955:

Declared under Clause (a) of Section 2 of the Act

1. Cattle fodder, including oilcakes and other concentrates.
2. Coal, including coke and other derivatives.
3. Component parts and accessories of automobiles.
4. Cotton and woolen textiles.
5. Drugs.
6. Foodstuffs, including edible oilseeds and oils.
7. Iron and Steel, including manufactured products of Iron & Steel.

8. Paper, including newsprint, paperboard and strawboard.
- 9 Petroleum and Petroleum products.
- 10 Raw Cotton either ginned or unginned and cotton seed.
11. Raw Jute.
12. Jute textiles.
13. Fertilizer, whether inorganic, organic or mixed.
14. Yarn made wholly from cotton.
15. (i) seeds of food crops and seeds of fruits and vegetables,  
(ii) seeds of cattle fodder and  
(iii) jute seeds

In the context of liberalization of Indian economy, it was decided that the Essential Commodities Act, 1944 might continue as umbrella legislation for the Centre and the States to use when warranted allowing, however, a progressive dismantling of the control and restrictions. Accordingly, the Central Government issued the Removal of Licensing requirements, Stock limits and Movement Restrictions on Specified Foodstuffs Order, 2002 on 15 February 2002 under the Essential Commodities Act, 1955 allowing dealers to freely buy, stock, sell, transport, distribute, dispose, etc., any quantity in respect of wheat, paddy/rice, coarse grains, sugar, edible oilseeds and edible oils without requiring any license or permit therefore under any order issued under the Act. In 2006, considering the shortage of wheat, this order of removal of licensing requirements, stock limits and movement restrictions has been kept in abeyance for wheat and pulses for 6 months starting from 29<sup>th</sup> August 2006.

#### ESSENTIAL COMMODITIES ACT, 1980

In order to prevent unethical trade practices like hoarding and blackmarketing etc., the Prevention of Blackmarketing of Supplies of Essential Commodities, Act, 1980 is being implemented by the State Governments to detain persons whose activities are found to be prejudicial to the maintenance of supplies of commodities essential to the community.