

Essential Commodities Act of 1955

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In news— In order to control tur dal prices, the Centre has invoked the Essential Commodities Act of 1955 recently.

Provisions of Essential Commodities Act of 1955-

- It is a law that prohibits hoarding and black marketing of essential commodities.
- **If the Central government finds that the price of a certain commodity is shooting up due to short supply**, it orders the State Governments and Union Territories to fix the stock-holding limit of that commodity for a fixed period.
- The Act gives powers to the central government to add or remove a commodity in the “Schedule.”
- **The Centre, if it is satisfied that it is necessary to do so in public interest**, can notify an item as essential, in consultation with state governments.
- **At present, the “Schedule” contains 9 commodities – drugs; fertilisers, whether inorganic**, organic or mixed; foodstuffs, including edible oils; hank yarn made wholly from cotton; petroleum and petroleum products; raw jute and jute textiles; seeds of food-crops and seeds of fruits and vegetables, seeds of cattle fodder, jute seed, cotton seed; face masks; and hand sanitisers.
- Whoever sells this item, be it a wholesaler, a retailer or an importer, is **prevented from stocking more than a certain quantity** so that black marketing does not occur and price does not rise.
- **There is no specific definition of essential commodities in The EC Act.**
- Section 2(A) of the act states that an “**essential commodity**” means a commodity specified in the “Schedule” of this Act.

- **The States or Union Territories may take action against the offenders** under the Essential Commodities Act, 1955 and Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, (PBMMSEC Act), 1980.
- An offender under the Essential Commodities Act, 1955 **may be punished with imprisonment up to 7 years or fine or both** and under the PBMMSEC Act, he can be detained for a maximum of 6 months.
- **The 2015 amendment to the act provides a mechanism for the “regulation” of agricultural foodstuffs, namely cereals, pulses, oilseeds, edible oils, potato, and supplies under extraordinary circumstances, which include extraordinary price rise, war, famine, and natural calamity of a severe nature.**

Objectives of the Act, 1955-

- Uninterrupted supply of essential commodities in the country.
- The Ministry of Consumer Affairs, Food & Public Distribution tries to keep the price of essential commodities stable.
- The Government fixes the maximum retail price for such goods.
- Preventing unnecessary storage of essential commodities
- Stop black marketing of essential commodities