

# The Essential Commodities (Amendment) Bill, 2020

October 26, 2020

In news

The Essential Commodities (Amendment) Bill, 2020 was passed by Parliament

## Key features of the bill

- The bill amends the Essential Commodities Act, 1955
- The existing Act empowers the central government to control the production, supply, distribution, storage, and trade of essential commodities.
- **The Bill 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 as war, famine, extraordinary price rise, and natural calamity of grave nature.
- It also mentions that a stock limit may be imposed on agricultural produce only if there is:
  - a 100% increase in the retail price in case of horticultural produce, or
  - a 50% increase in the retail price in case of non-perishable agricultural food items.
- **Such stock limit will not apply to** a processor or value chain participant if the stock held by such person is less than: (i) the overall ceiling of installed processing capacity, or (ii) demand for export in case of an exporter