

Bill No. 173 of 2024

THE VEGETABLE PRODUCTS (REMUNERATIVE
SUPPORT PRICE AND INSURANCE) BILL, 2024

By

SHRI BIDYUT BARAN MAHATO, M.P.

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BILL

*to provide for fixation of minimum remunerative support price and
insurance of vegetable products and for
matters connected therewith.*

BE it enacted by Parliament in the Seventy-fifth Year of the Republic of India as follows:—

1. (1) This Act may be called the Vegetable Products (Remunerative Support Price and Insurance) Act, 2024.

Short title and
extent.

5 (2) It extends to the whole of India.

Definitions

2. In this Act, unless the context otherwise requires —

(a) “appropriate Government” means in the case of a State, the Government of that State and in all other cases, the Central Government;

(b) “insurance” means insurance against loss or damage or destruction of vegetable product due to-

(i) any natural calamity such as flood, drought, storm, frost, cyclone, flash flood, hailstorm or any other calamity as may be specified by the Central Government, from time to time; and

(ii) loss or damage or destruction of vegetable produce due to poor quality of fertilizers, pesticides and seeds.

(c) “prescribed” means prescribed by rules made under this Act by the Central Government or State Government, as the case may be; and

(d) “vegetable products” means vegetables used for human consumption and includes beetroot, bitter gourd, brinjal, cabbage, carrot, cauliflower, okra, onion, pulses, potato, radish, tomato, turnip and banana leaf.

Minimum Remunerative Support Price of vegetable products.

3. The appropriate Government shall announce the minimum remunerative support price of vegetable products in such manner and at such intervals as may be prescribed:

Provided that different prices may be fixed for different States and different seasons.

Relevant factors to be taken into account while announcing the Minimum Remunerative Support Prices of vegetable products.

4. The appropriate Government, while announcing the Minimum Remunerative Support Prices of vegetable products, shall take into account all relevant factors which shall include:—

(a) expenditure on inputs like seeds, fertilizers and pesticides;

(b) average labour cost;

(c) rent expenses for land and tractor;

(d) interest payable to banks on loans taken for growing vegetables;

(e) electricity and water charges;

(f) expenditure on storage of vegetable produce; and

(g) expenditure incurred on transportation of vegetable products to the market.

Comprehensive insurance scheme for vegetable products.

5. (1) The Central Government shall formulate a comprehensive insurance scheme for vegetable growers.

(2) The expenditure incurred on payment of premium for insurance of vegetable products under sub-section (1) shall be fully borne by the Central Government.

Insurance of vegetable products.

6. (1) The appropriate Government shall assess the losses suffered by the vegetable growers on account of natural calamity or substandard quality of fertilizers, pesticides and seeds and send an ad hoc report to the Central Government in such manner as may be prescribed.

(2) On receipt of the report from the appropriate Government under sub-section (2), the Central Government shall direct the concerned insurance company to pay the insured amount to the vegetable growers within such time and in such manner as may be prescribed.

Central Government to provide requisite funds.

7. The Central Government shall, provide after due appropriation made by Parliament by law in this behalf, provides requisite funds for carrying out the purposes of this Act.

8. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power of
Central
Government to
make rules.

(2) Every rule made under this Act shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be
5 comprised in one session or in two or more successive sessions and if, before the expiry of the session immediately following the session or successive sessions aforesaid both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without
10 prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

Minimum Remunerative Support Prices are announced from time to time for many agricultural products, but there is no provision for fixation of Minimum Remunerative Support Price for vegetable products. In the absence of Minimum Remunerative Support Price, vegetable growers are harassed and cheated by middlemen and multinational retail companies. They are forced to sell their produce at throwaway prices, causing huge losses to them. Apart from this, the crop insurance scheme does not cover vegetable produce. Further, the crop insurance scheme provides for insurance only in case of severe natural calamities, however, substandard quality fertilizers, spurious pesticides and spurious seeds also cause crop damage, which is not currently covered under any crop insurance. For example, banana leaves, banana plants and unripe bananas are damaged and destroyed due to cyclones. About forty per cent of the vegetables are damaged by the time they reach the mandis and markets from the fields. Due to lack of proper management of cold storage and transportation, farmers have to throw their produce on the roads. Therefore, there is no coverage for such losses to farmers. So, there is a need to bring crops damaged due to spurious fertilizers, pesticides and poor quality of seeds under the ambit of insurance and broadening the definition of natural calamities.

Hence this Bill.

NEW DELHI;
November 7, 2024.

BIDYUT BARAN MAHATO

FINANCIAL MEMORANDUM

Clause 5 of the Bill provides for formulation of a comprehensive insurance scheme for vegetable produce. Clause 6 provides for payment of insurance amount to vegetable growers in case of natural calamity or loss due to poor quality of fertilizers, pesticides and seeds. Clause 7 provides for payment of adequate funds to the States for carrying out the purposes of the Act. The Bill, therefore, if enacted will involve expenditure from the Consolidated Fund of India. It is estimated that a recurring expenditure of rupees one thousand crore would be involved per annum from the Consolidated Fund of India.

A non-recurring expenditure of about rupees one thousand crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 8 of the Bill empowers the Central Government to make rules regarding for carrying out the purposes of this Bill. As the matters in respect of which rules may be made will relate details only, the delegation of legislative power is, therefore, of a normal character.

LOK SABHA

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