

Bill No. 314 of 2019

**THE SPICES (REMUNERATIVE SUPPORT PRICE)
BILL, 2019**

By

ADV. DEAN KURIAKOSE, M.P.

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BILL

to provide for the fixation of Remunerative Support price of spices such as black pepper, cardamom, ginger, turmeric, garlic and other spices on annual or seasonal basis and for matters connected therewith.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Spices (Remunerative Support Price) Act, 2019.
- (2) It extends to the whole of India.
- 5 (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Short title,
extent and
commencement.

Definition.	<p>2. In this Act, unless the context otherwise requires,—</p> <p>(a) ‘Authority’ means Remunerative Support Price to Spices Authority constituted under section 3;</p> <p>(b) ‘prescribed’ means prescribed by rules made under this Act; and</p> <p>(c) ‘spices’ shall have the same meaning as assigned to it in the Spices Board Act, 1986.</p>	5 10 of 1986.
Constitution of Spices (Remunerative Support Price) Authority.	<p>3. (1) The Central Government shall constitute an authority to be known as the Spices Remunerative Support Price Authority for the purpose of regulating and controlling the price of spices such as black pepper, cardamom, ginger, turmeric, garlic, and other spices on an annual or seasonal basis in such manner as may be prescribed.</p> <p>(2) The Authority shall consist of the Chairperson and such other member as may be prescribed.</p> <p>(3) The Central Government shall appoint such number of officers and staff as it considers necessary for the efficient functioning of the Authority.</p> <p>(4) The headquarter of the Authority shall be situated at Kattappana in Idukki District of Kerala.</p>	10 10 15
Functions of the Authority.	<p>4. The Authority shall perform the following functions:—</p> <p>(i) fixation of remunerative support price of black pepper, cardamom, ginger, turmeric and garlic on annual seasonal basis;</p> <p>(ii) payment of additional amount to the farmers if the market price is lower than the remunerative support price fixed;</p> <p>(iii) assessment of damage to spice crops due to natural calamities and loss suffered by farmers and determine compensation to be paid to the farmers;</p> <p>(iv) assessment of damage to spice crops due to plant disease and loss suffered by farmers and payment of compensation to the farmers;</p> <p>(v) assessment of damage to spice crops by wild animals and loss suffered by farmers and payment of compensation; and</p> <p>(vi) advice the Central Government, from time to time, on policy matters of import duty fixation and free trade agreements.</p>	20 25
Central Government to provide funds.	<p>5. The Central Government, shall from time to time provide, after due appropriation made by Parliament by law in this behalf, requisite funds for carrying out the purposes of this Act.</p>	30
Act to have overriding effect.	<p>6. The provision of this Act and rules made there under shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force.</p>	35
Power to make rules.	<p>7. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act—</p> <p>(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 comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the 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 prejudice to the validity of anything previously done under that rule.</p>	40 45

STATEMENTS OF OBJECTS AND REASONS

In 2015-16, we earned a total of Rs. 11,997 crore in foreign exchange through spice exports which is the fourth largest agricultural export commodity in terms of value. It is also important to note that the productivity of spices in our country continues to be low compared to the world average.

It is inevitable to provide a Remunerative Support Price to the farmers for their spice produce, as it would help them in repaying their agriculture loans apart from meeting their social and personal obligations. It has been a common occurrence for the post harvest price of the spices to drop sharply. For example in October 2019, the price for pepper was reduced to rupees three hundred per kilogram which is relatively a huge blow to a farmer who spends around five hundred per kilo gram for the production of the same volume of pepper. The oversupply in the global market and rising imports have been the primary cause, pushing the pepper prices to the lowest in a decade.

Apart from the price issues, the farmers are also affected by low volume of output owing to various factors such as epidemics, climate variations, wildlife intrusion, etc. Most of the farmers are not aware of the factors determining the price of their produce. The prices are directly and indirectly influenced by the international market scenarios and the Nations obligation to Regional and International Free Trade Agreements (FTAs). Considering all these issues, it is important to set up an Authority for the fixation and payment of Remunerative Support Price for the spice produce and other welfare measures for farmers who grow spice crops.

Hence this Bill.

NEW DELHI;
November 6, 2019.

DEAN KURIAKOSE

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for the constitution of Remunerative Support Price to Spices Authority. Clause 5 provides for the Central Government to provide adequate funds for the functioning of the Authority. The Bill, therefore, if enacted, is likely to involve expenditure from the Consolidated Fund of India. It is estimated that a recurring expenditure of rupees five hundred crore is likely to be involved per annum.

A non-recurring expenditure of rupees two hundred and fifty crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

LOK SABHA

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(Adv. Dean Kuriakose, M.P.)