

[AS INTRODUCED IN THE RAJYA SABHA
ON THE 11TH JULY, 2014]

Bill No. XIII of 2014

THE ONION AND COTTON GROWERS (REMUNERATIVE PRICES
AND WELFARE) BILL, 2014

A

BILL

to provide for the remunerative prices for the produce of the onion and cotton growers of Maharashtra and other parts of the country fixed on the basis of cost of production of onions and cotton by the Government and for compulsory market intervention by the Government in case of bumper crop of onions and cotton thereby ensuring that Government agencies do purchase the produce, compulsory insurance of onion and cotton crops free of cost by the Government and for certain welfare measures for the growers and for matters connected therewith and incidental thereto.

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

1. (1) This Act may be called the Onion and Cotton Growers (Remunerative Prices and Welfare) Act, 2014.

(2) It extends to the whole of India.

(3) It shall come into force with immediate effect.

Short title,
extent and
Commence-
ment.

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) "Fund" means the Onion and Cotton Growers Welfare Fund established under section 4;

(c) "Grower" means any person who cultivates onion or cotton, as the case may be;

(d) "prescribed" means prescribed by rules made under this Act.

Fixation of remunerative price of onion and cotton and compulsory procurement.

3. (1) Notwithstanding anything contained in any other law for the time being in force, the Central Government, shall, in consultation with the concerned Governments of the States where onion and cotton are grown extensively, fix and declare remunerative prices of onion and cotton on the basis of cost of production of each of cotton and onion before the onset of sowing season of these commodities:

Provided that different prices may be fixed for different regions of the country.

(2) While fixing the remunerative prices of onion and cotton respectively under sub-section (1), the Central Government shall take into account the following factors, namely:

(a) cost incurred by the growers in sowing, growing and harvesting of onion and cotton separately;

(b) cost incurred on seeds, manure of fertilizers, insecticides and pesticides by the grower;

(c) cost incurred on labour;

(d) electricity and water charges incurred by the grower;

(e) maintenance cost of the field, storage charges, processing fee of cotton and onions incurred by the grower;

(f) cost incurred on transportation of onion and cotton, as the case may be;

(g) climatic conditions and occurrence of natural calamity; and

(h) any other contingency expenditure incurred by the grower.

(3) After the remunerative prices so fixed by the Central Government for onion and cotton, the appropriate Government shall give wide publicity to the remunerative prices fixed for onion and cotton under this Act through the print and electronic media and by involving the village Panchayats in its endeavour.

(4) Notwithstanding anything to the contrary, the Central and State Government agencies shall purchase the onion and cotton directly from the grower without involving any middlemen in any manner in case the grower fails to sell his produce in the open market.

(5) The appropriate Government shall invoke timely market intervention compulsorily whenever there is bumper crop of onion or cotton, as the case may be, resulting in nosedive of prices in the open market and purchase the entire quantities of onion and cotton offered for sale by the grower through Government agencies in such manner as may be prescribed.

(6) It shall be the duty of the appropriate Government to keep a watch on the dubious activities of onion and cotton traders and middlemen during the immediate post harvest period to ensure that prices of onion or cotton, as the case may be, do not fall as a result of speculation and take such measures, as it may deem necessary to protect the interest of the grower.

(7) The Central Government shall take all necessary and appropriate steps to export the surplus onion and cotton produced by the grower during a year in the country.

(8) The entire crop of onion and cotton and the yield thereof shall be compulsorily insured free of cost by the Central Government against natural calamities, fall in the yield, fall in the prices and such other eventualities as may be prescribed.

5 **4. (1) The Central Government shall, by notification in the Official Gazette, establish the Onion and Cotton Growers Welfare Fund for the purposes of this Act with initial corpus of rupee fifty thousand crore to be provided by the Central Government by due appropriation made by law by Parliament in this behalf and thereafter the Central and concerned State Governments shall contribute to the Fund to such extent and in such manner as may be prescribed.**

Establishment of the Onion and Cotton Growers Welfare Fund.

10 (2) The fund may also receive money from body corporates, financial institutions both domestic and international ones, individuals and bodies in the form of contributions and donations.

5. (1) The fund shall be utilized for the following purposes, namely:—

Utilization of the fund.

15 (a) to provide financial assistance to the grower for purchasing seeds, fertilizers, manure, pesticides, insecticides, sprinklers, etc. and in care of low yields of crop or loss thereof due to natural calamity such as heavy or consistent rains or untimely rains, storm, flood, drought, hailstorm, fire or destruction of crops by wild animals and such other eventualities;

(b) to pay ex-gratia payment and financial assistance to the next of kin of the grower in the event of his death or permanent incapacitation;

20 (c) to pay crop insurance premium on behalf of the grower;

(d) to provide free healthcare facilities for the grower and his family members;

(e) to provide education including technical, medical, higher education and vocational training to the children of the grower;

25 (f) to provide financial assistance to the grower in case he becomes disable for any reason whatsoever.

(2) For the purpose of this Act, the appropriate Government shall,—

(i) Maintain a district-wise register of growers with such particulars and in such manner as may be prescribed;

30 (ii) make provisions for payment of old age pension to the growers who have attained the age of sixty years and more;

(iii) provide maternity facilities including medical treatment, all the required medicines and delivery facilities to the female members of the family of the grower in such manner as may be prescribed;

35 (iv) Make such other welfare related provisions for the growers as it may deem necessary or expedient for the purposes of this Act.

6. 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.

Central Government to provide requisite funds.

40 7. The provisions of this Act and the rules made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being but save as aforesaid the provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force dealing with the subject matter of this Act.

Act to have overriding effect.

8. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may make such order or give such direction, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for the removal of the difficulty.

Power to remove difficulty.

45 9. The Central Government, may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to make rules.

STATEMENT OF OBJECTS AND REASONS

In our country onion is consumed almost in every household and thereby has become a part and parcel of the food habit. This commodity is also widely used in hotels, restaurants, dhabas, chaat stalls and every small and big eatery throughout the country. Onions are grown in a very large scale in Maharashtra and Nashik region has become synonymous with onions. Gujarat, Karnataka, Rajasthan are other major onion producing States. In fact, onions are grown and consumed in the entire country. Though onions occupy a high place in our food habit, the onion growers are distressed lot mainly due to two reasons. One, they have to depend on the vagary of nature. Heavy and unseasonal rains or deficit rainfall adversely affects their yield. Then, they hardly get remunerative price. Only the middlemen, wholesalers and retailers mint the money and not the grower. When there is a bumper crop of onions the prices nosedive and the unscrupulous traders exploit the onion growers to the extent possible. There is market intervention scheme but it is applied very late because the State Government has to make a request to the Centre for market intervention and by the time it is approved, it is already too late resulting in heavy losses to the growers who are forced to sell their produce at throwaway prices. They also face other difficulties related to storage, transportation, marketing and so on.

Similar is the situation of cotton growers of Maharashtra and other parts of the country. Although cotton fulfills one of the basic requirements of human being namely, clothing and thus extensively used in textile, handloom, Khadi and such other sectors but many cotton growers in Maharashtra, Andhra Pradesh, Punjab and other parts of the country have committed suicide in the recent past because cotton growing has become a non-profitable agricultural activity and they were under heavy debts and unable to repay their loans they ended their lives. In the State of Maharashtra, the State Government was implementing a scheme in which cotton was procured by giving bonus under guarantee and the growers were getting remunerative prices. But now for the unknown reasons the State Government has discontinued this scheme which has compounded the problems of cotton growers in the State. It is an irony that the Government allows indiscriminate export of other products ignoring domestic requirements but export of cotton is banned which needs to be lifted.

Of late, it has been noticed that prices of seeds of onion and cotton, fertilizers, manure, pesticides, insecticides, transportation, labour and other inputs have increased manifold but the growers are not getting remunerative prices. There is hardly any protective umbrella of welfare measures, old age pension, medical aid etc. for the growers. Thus, a Welfare fund needs to be established on priority basis for the onion and cotton growers.

Hence, this Bill.

RAJKUMAR DHOOT

FINANCIAL MEMORANDUM

Clause 4 of the Bill provides for the establishment of the onion and cotton growers welfare fund with initial corpus of rupee fifty thousand crore to be provided by the Central Government. Clause 6 of the Bill makes it obligatory for the Central Government to provide requisite funds for carrying out the purposes of this Bill. The Bill, if, enacted will involve expenditure from the Consolidated Fund of India. Though it is not possible to quantify the exact amount which may involve at this juncture, it is estimated that a sum of rupee fifty thousand crores may involve as recurring expenditure per annum.

No non-recurring expenditure is likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 9 of the Bill gives power to the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of details only.

The delegation of legislative power is of normal character.

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(Shri Rajkumar Dhoot, M.P.)