

GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
DEPARTMENT OF CONSUMER AFFAIRS

**RAJYA SABHA**  
**UNSTARRED QUESTION No. 1637**  
TO BE ANSWERED ON 06.08.2024

**THE ESSENTIAL COMMODITIES ACT**

1637. SHRI AYODHYA RAMI REDDY ALLA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Ministry would justify the continued existence of the Essential Commodities Act, given its potential to stifle competition, innovation, and economic growth, if so, the details thereof;
- (b) the specific measures the Ministry has taken to prevent the misuse of the Act's provisions, particularly the blanket imposition of stock limits and movement restrictions, which can lead to supply chain disruptions and price volatility; and
- (c) how the Ministry ensures that the Act's provisions are not used as a tool for rent-seeking, protectionism, or crony capitalism and what safeguards are in place to prevent its misuse by vested interests?

**ANSWER**

THE MINISTER OF STATE, CONSUMER AFFAIRS,  
FOOD AND PUBLIC DISTRIBUTION  
(SHRI B.L VERMA)

(a) to (c) : Continued existence of the Essential Commodities Act, 1955 is justified as a necessary piece of legislation to regulate trade, commerce, production, supply of essential commodities in short supply. Without such a central legislation, individual states might enact their own regulations, leading to conflicting rules which may have adverse inter-state and national implications. A commodity or commodity group is included in the Schedule of Essential Commodities only after thorough consultation with the sectoral Ministries, state governments and other stakeholders.

The Central government holds regular meetings with state governments, Union Territories (UT) administrations, and stakeholders like dealers, traders, importers, big chain retailers and millers. Based on these consultations, directives are issued to states and UTs for proper implementation of the Act's provisions and to avoid misuse. Regular review meetings on price trends and availability of essential food items are held at the highest levels, including the Inter-Ministerial Committees and the Committee of Secretaries to facilitate appropriate policy interventions.

To address the issue of hoarding and black marketing of essential commodities, policy interventions such as stock disclosure and stock limits are implemented through regular review meetings with states/UTs and stakeholders such as dealers, traders, importers, big chain retailers and millers. These meetings helped in building confidence among stakeholders, assessing the current market situation, evaluating the effectiveness of existing policies, and making necessary adjustments to ensure the availability and affordability of essential commodities to the consumers.

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