

Free Trade in Agri Products - A major step towards agricultural reforms

5.16 In a liberalised trade environment and with an emerging situation of oversupply of many agro commodities, the incongruity of continuing draconian restrictions such as licensing of dealers, placing limits on stocks and control on movement of commodities - all under the Essential Commodities Act, 1955 - had become a noose around the farmers and traders' neck.

Government has, therefore, decided to issue a Central Order under Section 3 of the Essential Commodities Act, 1955 to remove the requirement of licensing of dealers and restrictions on storage and movement in respect of foodgrains (wheat, paddy/rice, coarse grains), sugar, oilseeds and edible oils. Twelve items such as cement, textile machinery etc have also been deleted from the purview of the Act bringing down the total number of essential commodities from the existing 29 to 17.