

Fourteenth Loksabha

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Participants : [Pawar Shri Sharad Chandra Govindrao](#), [Deo Shri Bikram Keshari](#), [Panda Shri Prabodh](#), [Singh Shri Lakshman](#), [Satheedevi Smt. P.](#), [Pawar Shri Sharad Chandra Govindrao](#), [Panda Shri Brahmananda](#)

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Title: Discussion on the motion for consideration of the Warehousing (Development and Regulation) Bill, 2005 moved by Shri Sharad Pawar(Motion Adopted and Bill Passed).

MR. DEPUTY-SPEAKER: The House will now take up Item No.22

THE MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): Sir, I beg to move*:

“that the Bill to make provisions for the development and regulation of warehouses, negotiability of warehouse receipts, establishment of a warehousing development and regulatory authority and for matters connected therewith or incidental thereto, be taken into consideration.”

Sir, this is a very farmer-friendly legislation. The House might recollect that the Government introduced the Warehousing (Development and Regulation) Bill in the Lok Sabha on 07th December 2005. The Bill was referred to the Standing Committee on Consumer Affairs, Food & Public Distribution on 19th December 2005 for examination and report. The Standing Committee presented its Report on the said Bill to the Hon. Speaker, Lok Sabha on 31st October 2006 and also laid the same before Lok Sabha and Rajya Sabha on 23rd November 2006.

15.22 hrs.

(Shrimati Sumitra Mahajan *in the Chair*)

The Bill intends to introduce a negotiable warehousing receipt system in the country to make warehousing receipts a fully negotiable instrument. The main objective of the Bill is to ensure higher returns to farmers by encouraging scientific warehousing of goods, lowering the cost of financing, ensuring a shorter supply chain, enhancing rewards for grading and quality and providing for better price risk management. The introduction of a negotiable warehouse receipt would increase

*Moved with the recommendation of the President.

liquidity in rural areas and would give a safety net to farmers against distress sale. Though the Minimum Support Price operations take care of a number of crops, the ability of the farmer to keep his surplus goods in scientific warehouse and obtain institutional credit on the basis of such receipts has been hampered due to absence of an appropriate legislation which enables the same.

Sir, I would like to apprise the Hon. Members about the need of introducing the negotiable warehouse receipt in the country. At present, the term 'warehouse receipt' means a receipt in the prescribed form, issued by a warehouseman, to any person depositing goods in the warehouse. So far, the use of warehouse receipt has remained confined to be a collateral security, for grant of loans by the commercial banks against the goods stored in the warehouses. The warehouse receipt has not yet gained its acceptability so as to make it freely transferable from one person to another, as there is no legal back up at present.

The possibility of including the negotiability of warehouse receipt within the ambit of the Negotiable Instruments Act 1881 was explored in consultation with the Ministry of Law. But the latter opined that it may not be advisable to amend the Negotiable Instruments Act for treating warehousing receipt as a negotiable instrument for the purpose of that Act. It will be better to enact a new legislation in concurrence with the Ministries and Departments concerned.

The warehouse receipt cannot be brought under the purview of the Negotiable Instrument Act, 1881, which deals only with the monetary transactions through the specified instruments *viz.*, promissory notes, bill of exchange, cheques and hundi.

In view of the advice of the Department of Legal Affairs, it was decided to have a separate Central legislation for making the warehouse receipt fully negotiable so as to give full enforceability and transparency for the warehouse receipts.

The need for introduction of negotiability of warehousing receipts has arisen as the warehouse operators, at present, do not enjoy the fiduciary trust of depositors and banks. Even if the banks wish to finance against warehouse receipts, they are either limited to those operators whom they trust or they have to incur high costs in screening out the suitable warehouse operators.

This will be accomplished by setting up policy and legal framework for making the warehouse receipt a fully negotiable instrument. The Warehousing (Development and Regulation) Act is proposed to be enacted.

The Department of Food and Public Distribution has drafted the Warehousing (Development and Regulation) Bill, 2005 in consultation with the concerned Ministries, Departments and other stakeholders.

The proposed legislation *inter alia* seeks:-

- i) to provide for the regulation of such warehouses, which intends to issue negotiable warehouse receipts through a process of registration;
- ii) to provide for accreditation of warehouses through approved accreditation agencies;
- iii) to define the liabilities and duties of warehousemen;
- iv) to define the condition for negotiability of warehouse receipts by delivery and endorsement;
- v) to establish an Authority to be called the Warehousing Development and Regulatory Authority to regulate and ensure implementation of the provisions of the proposed legislation and defining the offences and penalty in respect of any offence committed.

The Standing Committee had gone through the Bill in great detail and made a number of suggestions. I am grateful to the Chairman and the Members of the Standing Committee for the detailed analysis and the recommendations on the proposed legislation. The Government has been greatly benefited by these recommendations and has accepted most of the suggestions of the Committee.

I will be moving appropriate amendments based on the Report of the Committee, during the course of passing of the Bill.

The Government feels that the passing of this legislation will bring about a marked improvement in the lives of farmers and the warehousing scenario of this country.

MADAM CHAIRMAN : Motion moved:

“That the Bill to make provisions for the development and regulation of warehouses, negotiability of warehouse receipts, establishment of a warehousing development and regulatory authority and for matters connected therewith or incidental thereto, be taken into consideration.”

SHRI BIKRAM KESHARI DEO (KALAHANDI): Madam, at the outset, I would like to say that during the UPA Government, the agriculture scenario has been so gloomed that the farmers are committing suicide, they are dying of starvation and distress sale, they are migrating and they are subjected to so many natural calamities like floods and droughts.

The hon. Minister has brought this piece of legislation in the form of the Warehousing (Development and Regulation) Bill, 2005. Let us hope that it is a breathe of fresh air for the farmers who are in distressed conditions. I hope, this legislation, if implemented, in true spirit, would help the farmers. The farmers would achieve something.[\[r37\]](#)

Basically, small and marginal farmers will benefit a lot. But the most important ambit of this Bill is regarding the accreditation of those agencies which will function as warehouses. That has to be done before the procurement season begins because if that is not done, again the farmers will be subject to miller agents, middlemen and to various kinds of sharks who exploit the poor people during the purchase and procurement of paddy or wheat. It is because paddy and wheat are the two important grains on which our democracy stands. It regulates the PDS system; it regulates the supply chain of food for the poor; and it regulates the finance for the farmer to improve his economic conditions and fulfil his aspirations for his family and for the country.

So, I think under this legislation the warehousing receipt becomes a negotiable instrument. If the warehouses are accredited, then the farmer can get the Minimum Support Price for rice and wheat. But there is a big question mark here because the Minimum Support Price is only announced for rice and wheat but there are so many other crops like oil seeds, pulses, horticultural crops and various other crops on which the farmer depends. It is not necessary that India has one agricultural zone. India has got so many different types of agricultural zones with different agricultural produce.

So, accordingly, the Government is planning to make the warehouses and make the receipt a negotiable instrument. They should plan the warehouses in such a way that warehouses of different nature come up in accordance with the farmers' requirement to store his produce. Like for example, in Maharashtra we have a lot of mangoes. But due to lack of food preservation facilities in the country, every year there is a loss of about Rs.35,000 to 40, 000 crores worth of food in the country. So, it is not just making buildings for storing grains but the godowns should be made rat-proof because every year nearly 20-25 per cent is lost due to rat in the FCI godowns. The airing system which is adopted today is an ancient type of system that is adopted in the FCI godowns. It should be improved because we have a lot of loss. Eventually that produce has to be thrown to sea or it is wasted.

India is such a country where we cannot afford even to waste one grain of rice or wheat or one fruit or one vegetable because the poverty in our country is still 26 per cent as per the Planning Commission's records go. But if you go to the States, you will see that the people living below the poverty line is much more. It is over 35 to 40 per cent. The revamping of the PDS system is very necessary for it. It is very necessary. Now, it is time for the Government to think about that also because a lot of areas in the country have come under irrigation. A lot of areas have come under double cropping. Production has gone up. But I am sorry to state that this year the production of rice has fallen; and the production of wheat has fallen. We have to get wheat from Australia. So, if we have this warehousing system, this negotiable instrument, much before, I think the farmers would not be facing this plight. Our contribution to the GDP is only two per cent. We could have achieved the target of four per cent as required by the Planning Commission, which we have not been able to do till yet. So, this is a very good type of legislation which the hon. Minister has brought forward. I hope it will help the farmers in true sense.

Before I conclude, I would just like to mention about my district, Kalahandi, which the hon. Minister is very well aware. We depend upon the Food Corporation of India. In Bolangir district, the production of rice is much lower than that of Kalahandi. [\[MSOffice38\]](#)

In Kalahandi now, we have three crops. We have got 135 rice mills. So, I request the hon. Minister that during the discussion of the Bill he may kindly create another FCI district for Kalahandi which is very very necessary. Now, it is a surplus district and it is producing more than two lakh tonnes of rice. There was a day when there were starvation deaths there. People were migrating to Raipur and Bhilai and all places. Today it has become a surplus district in the production of paddy. So, I request the hon. Minister, as it is under his Ministry, to open a FCI district for Kalahandi and also a payment office should be opened there.

I wholly support this Bill. There is no question of opposing it. Our farmers in the country will immediately get the money by giving the receipt to the bank. But the banks have to be accredited immediately, especially the Grameen Banks and also the cooperative banks if necessary. The cooperative banks also should be given this accreditation so that they can also make payments against the receipts of

the farmers of products which are deposited in the warehouse. So, the farmer gets himself readied for the next coming crop. He is not in dearth of funds. The budget he prepares for his family is partially met.

The cotton growers of Kalahandi should also be developed. We have got two technology missions running in Kalahandi. We have got a spinning mill which is not running. We have a warehouse where a ginning mill is running. The Kalahandi cotton is supposed to be second best cotton in the world after Egyptian cotton because of its long staple fibre.

The payments to these cotton farmers are not being made properly. Last year, three cotton farmers nearly died. They attempted suicide, but they were saved. There is a big agitation going on there. The Cotton Corporation and the private traders from Andhra Pradesh who bought the cotton have never made the payment and all their cheques bounced. Therefore, this Warehousing Bill will definitely help and to solve that kind of a problem.

With these few words, I thank you very much and I support the Bill.

SHRIMATI P. SATHEEDEVI (BADAGARA): Madam Chairman, I take this opportunity to raise my objection towards the main contents of the Bill. The hon. Minister has stated that it is really intended to help the farmers. But whether the objective of the legislation can be materialized by the implementation of this Bill is a matter to be discussed.

Madam, I would like to point out that as per the notification of the Government of India 50,000 tonnes is the prescribed stock limit of the warehouses run by the private parties. If a proper monitoring is not there, there are chances of alteration of these warehouses as places of hoarding. These warehouses should not be allowed to become the places of hoarding.

I do support the intention of the Ministry to help the farmers to negotiate a better price for their produces. But, however, we apprehend that there may be unscrupulous elements who could speculate in future trading market. So, there should be specific provision in the Bill to prevent these warehouse receipts being misused. Now the hon. Minister states that facility will be provided to avail bank loans after producing these receipts. But in the case of essential agricultural commodities, it is being used to speculate in future trading markets.

Since the intention of the proposed legislation is to help farmers, it has to be ensured that the value of the receipts in no way can fall lower than the Government's minimum support price. Specific mention should be there to prevent hoarding. The State Governments may, if required, apply provisions of the Essential Commodities Act.

Agriculture is a State subject. If the policy decisions are taken by the Central Government, the rights now enjoyed by the States will be very badly affected. I welcome that the bank loans are provided to the farmers on the acceptance of these warehouse receipts. But these warehouse receipts should not be allowed to be used for future trading and speculations. [[MSOffice39](#)]

The States are now enjoying full authority over issuing licences for warehouses and it is mainly in the public sector or co-operative sector. By giving the entire authority to Central Government for accreditation of warehousing agencies, this Bill really cuts the rights of the State Governments and at the same time, opens the way for privatisation of the warehousing sector. The Standing Committee has already made a suggestion to bring a model Act to be framed by the Union Government and its implementation must be left to the State Government. It would be contradictory to recommend the passage of the present Bill by cutting away the rights now enjoyed by the State Government. Giving all the authority to the Central Government for accreditation of warehousing agencies will really lead to the cutting of the rights enjoyed by the State Government.

So, I have a specific suggestion that the Standing Committee had received representations from the State Governments on these issues and has made the recommendation that the State Governments must be consulted. The State Government's right to bring some essential commodities in a particular State should be protected. So, some State-based Advisory Councils, consisting of nominees of State Governments should be appointed and it would be mandatory to consult such Councils for activities within the State so that protection of the rights enjoyed by the State Government is ensured and only by ensuring their rights, this Bill could be implemented.

I raise this objection to the passing of this Bill.

SHRI BRAHMANANDA PANDA (JAGATSINGHPUR): Madam, I extend my hearty thanks to you for giving me an opportunity to participate in this debate. It is, no doubt, a very dynamic Bill to fulfil the dreams and welfare needs of the farmers. At the same time, it is to be seen whether the poor farmers can be saved from the exploitation by the middlemen because there is every apprehension that the middlemen may exploit the poor farmers as a result of which the very purpose of this Bill may be defeated.

New technology should be brought in and effective measures must be taken to establish warehouses in different areas. That apart, since my State Orissa is a backward State and most of its areas are tribal-dominated, to save farmers from distress sale, the FCI should open its branches in most of its remote areas. Storage facility should be encouraged in the tribal areas. Moreover, by opening of such warehouses, the possibility of activities like hoarding and black-marketing should be carefully examined and reviewed. So, stringent provisions must be provided under the law to see that this black-marketing is stopped.

In addition, there is a Minimum Support Price for wheat and rice. It should be extended to other crops to encourage farmers because farmers are the real basis of our economic growth and rural prosperity. Our civilisation initially started on the basis of farmers only. In such circumstances, I would appeal to the hon'ble Minister that the loopholes which are there in the Bill should be identified and stringent provisions should be brought in so that the spirit of law is strictly followed, as a result of which the poor farmers can be saved from unnecessary harassment.[\[s40\]](#)

I would like to make an appeal to the hon'ble Minister regarding section 25. The persons who will be appointed as the Chairperson and Members must be free from political affiliations. They must be persons having ability, managerial skills, etc. I would like to further appeal that with all their financial background independent persons must be sponsored, so that they can see to the interest of the farmers in

different ways. The motto of this Bill can be fulfilled only when the common farmers are facilitated, are freed from the age old exploitation and their interest is safeguarded in all ways.

With these words, I welcome this Bill. There is no doubt that this Bill being a dynamic Bill with a little modification will definitely serve the interest of the poor farmers in fulfilling their dreams.

SHRI PRABODH PANDA (MIDNAPORE): Thank you, Madam Chairperson. I heartily support this Bill, and I must thank the hon. Minister Shri Sharad Pawar for bringing this Bill for adoption in this House.

The hon. Minister and all of us know very well the ground reality of the rural areas so far as the condition of the poor farmers and the marginal farmers is concerned. They are not getting remunerative prices. They are not even getting the Minimum Support Price. It is not that the price of agricultural commodities is very less in the market of our country. It has been reported by some agency -- that conducted a survey in different parts of the country -- that there is difference in the prices of agricultural commodities prevailing in the farm house and in the market. This difference is somewhere in the region of 1:12, that is, if the price of the agricultural commodities is one in the farm house, then its price goes up to 11 in the market. Who is enjoying the profit? It is neither the farmers nor other people. The consumers have also to pay much more money for the agriculture produce. This reveals that the middle-men, hoarders, profiteers, etc. are earning huge profits by bringing agricultural commodities from the farm house to the market. The construction of warehouses in the village areas is the only way to arrest and combat this menace. This Bill is a welcome step in this regard as this Bill provides compulsory registration for the warehouses that would issue negotiability of warehouse receipts. They would be required to obtain a registration certificate as it is quite necessary. Nobody should be allowed to run the warehousing business without any regulatory arrangement.

It is very good that there are certain special powers for the warehousemen to deal with perishable and hazardous goods. This is a very complicated issue as most of the agriculture produce including vegetables are perishable items. If there is no scientific arrangement in the warehouses or no power is given to the warehousemen to deal with the perishable and hazardous goods, then it would be very difficult and hard for the farmers.[\[r41\]](#)

In this regard, this Bill is welcome. This Bill contains many aspects but I do not know whether the State Governments have been consulted or not.

15.50 hrs.

(Mr. Speaker *in the Chair*)

This is also a task of the State Governments. The Central Government should hold consultation with the State Governments in this regard. The State Government have to do something in this regard. I do not know whether this has been done or not. The hon. Minister in the course of his reply may inform us so that the State Governments could go ahead with this Bill.

This Bill alone is not sufficient. I think, some rules should be framed and adopted. Is the Minister contemplating to adopt some rules in this regard? With these words, I welcome this Bill.

श्री लक्ष्मण सिंह (राजगढ़): महोदय, मंत्री जी यह बिल एक अच्छे उद्देश्य से लाए हैं और उद्देश्य स्पष्ट है कि एग्रीकल्चर सेक्टर में क्रेडिट फ्लो बढ़े और पूंजी निवेश बढ़े। मैं अपना संबोधन केवल वेयरहाउसिंग की क्षमता, कार्यप्रणाली और भण्डारण में जो अनियमितताएं हैं, उन तक सीमित करना चाहूंगा। यह बिल दिसम्बर, 2005 में इंट्रोड्युश हुआ और दुर्भाग्य यह है कि शरद पवार जैसे वरिष्ठ मंत्री को इसे पारित कराने में 17 महीने लगे। अगर ऐसे काबिल और वरिष्ठ मंत्री को यह महत्वपूर्ण बिल पारित कराने में इतना समय लग सकता है तो इस शासन के बाकी बिल्स का क्या होगा, ईश्वर मालिक है।

महोदय, मैं मंत्री का ध्यान सबसे पहले CWC और FCI के गोडाउन्स की इंस्पेक्शन की प्रणाली की ओर आकर्षित करना चाहूंगा। मेरे पास कुछ आंकड़े हैं, अगर वे गलत हों तो आप बता दें। दिसम्बर, 2005 तक साल भर में 5,00 फूड स्टोरेज डिपोज के निरीक्षण का लक्ष्य रखा गया था और केवल 377 डिपोज का निरीक्षण किया गया। इसी तरह इंस्पेक्शन ऑफ प्रोक्वोरमेंट सेन्टर्स - वार्षिक लक्ष्य 300 और एचीवमेंट रहा 297, इंस्पेक्शन ऑफ रेल हेड्स - वार्षिक लक्ष्य 140, एचीवमेंट रहा 115, इंस्पेक्शन ऑफ फेयर प्राइस शॉप्स - वार्षिक लक्ष्य 120, एचीवमेंट रहा 87। सबसे ज्यादा चिन्ता की बात यह है कि आपने वा दिसम्बर, 2005 केवल सात कम्प्लेन्ट्स की इंवेस्टीगेशन की और उनमें भी किसी को सजा नहीं हुई। अगर किसी को सजा नहीं हुई, अगर हुई हो तो आप बता दें क्योंकि इसमें दर्शाया नहीं गया है। जो लोग कालाबाजारी करते हैं, घपला करते हैं, उनके खिलाफ केवल सात इंवेस्टीगेशन्स हुई हैं और किसी को भी सजा नहीं हुई।

महोदय, आपने रेल-साइड वेयरहाउसिंग कांप्लेक्स की एक योजना बनाई। आपका उद्देश्य अच्छा था, लेकिन इसमें प्लानिंग कमीशन ने एक नोट लगाया था। प्लानिंग कमीशन ने आपकी इस योजना का विरोध किया था। प्लानिंग कमीशन ने स्पष्ट कहा कि - the Cabinet has given approval despite reservations from the Planning Commission, which felt that - I am quoting from 'The Financial Express', New Delhi, dated 5th January, 2007 - setting up of warehouses was the low tech activity and could be done by small entrepreneurs. जब छोटे-छोटे उद्योगपति या व्यापारी इस कार्य को कर सकते हैं तो क्या कारण है कि आपने CWC की ज्वाइंट वेंचर में एक कंपनी बनाई एक प्राइवेट पार्टी के साथ, शायद उसका नाम मेसर्स अदानी एक्सपोर्ट्स है [R42]

जहां तक हमें मालूम है अडानी साहब का वेयरहाउसिंग में कोई योगदान नहीं है, वह कोई और काम करते हैं। फिर क्या आवश्यकता है कि ऐसे लोगों को इसमें शामिल करने की, जब छोटे-छोटे एंटरप्रेन्योर्स, small businessmen could have been involved in this activity. Why this work has been allotted to a joint venture company? What was the need for it?

मैं एक पाइंट और बताना चाहूंगा। हमारे देश में गोल्डन क्वाड्रिलेटरल योजना पर काम चल रहा है। यह ठीक है कि आपका उससे सीधा सम्बन्ध नहीं है, लेकिन स्मूथ ट्रैफिक फ्लो के लिए जरूरी है कि आप राष्ट्रीय राजमार्ग प्राधिकरण से मिलकर बात करें। उदाहरण के लिए मध्य प्रदेश। Madya Pradesh can be the warehousing hub of the country. It was planned that way. It can generate so much employment there. It can develop that backward State. लेकिन वहां कुछ ध्यान नहीं दिया गया है। नेशनल हाईवे नम्बर-3 की हालत जर्जर हो चुकी है। उसे फोर लेन में बनाया जाए, तो वहां वेयरहाउसिंग की एक्टिविटीज़ हो सकती हैं और काफी लोगों को रोजगार भी दिया जा सकता है।

मैं कुछ आंकड़े बताना चाहूंगा। एफसीआई की जितनी भंडारण क्षमता है, उसके अनुरूप भंडारण नहीं है। 30 जून, 2006 तक बिहार में 5 लाख 23 हजार मीट्रिक टन की क्षमता थी, लेकिन वहां केवल 2 लाख 54 हजार मीट्रिक टन ही भंडारण हुआ है। इसी तरह अध्यक्ष महोदय आपके प्रदेश पश्चिम बंगाल में 10 लाख 8 हजार मीट्रिक टन भंडारण क्षमता है, लेकिन वहां 4 लाख 11 हजार मीट्रिक टन

का ही भंडारण हुआ है। इससे मालूम होता है कि आप भंडारण क्षमता पूरी नहीं कर पा रहे हैं, तो फिर क्या उम्मीद की जा सकती है। आप यह बिल लाए हैं, अच्छी बात है। आप एक योग्य मंत्री हैं। आपका उद्देश्य अच्छा है, लेकिन कार्य प्रणाली में जो गड़बड़ी है, उसे दूर नहीं करेंगे और कार्य प्रणाली को सुदृढ़ नहीं करेंगे, तो इस बिल का कोई उद्देश्य नहीं रहेगा।

इतना ही कहकर मैं अपनी बात समाप्त करता हूँ।

THE MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): I am grateful to the hon. Members who have participated in this discussion which has been brought before the House. Certain apprehensions have been raised by the Members and it is my responsibility to clarify the position.

15.59 hrs

(Shri Varkala Radhakrishnan *in the Chair*)

Firstly, let me make my position explicitly clear. The thinking behind this legislation is to create a situation where the farmers will not act in such a fashion where he has to go for distress sale. On a number of occasions we see when there is too much production and the production comes to the market, the prices go down as a result the farmers have to dispose of their produce at such a price where he is not in a position to get anything. I can give you an example. About six months' back, during the last Parliament Session, there was a lot of discussion in this House on the price of onion.[\[R43\]](#)

16.00 hrs.

But today if anybody visits the area where onions are produced, he will realize that the price of onion has come down to such a low level that the farmers are not aware what to do with their produce. In some of the places, they have actually thrown their produce on the streets. So, how long we will continue like this?

MR. CHAIRMAN : Mr. Minister, you wait for a minute. As per the Agenda, we have to take up discussion on price rise at 4.00 p.m. But if the House agrees, the Minister can be allowed to reply and the Bill can be passed.

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE): Sir, may I make a submission? After the reply, Item No.24 may be taken up at 4.30 p.m. so that the reply to the discussion on Global Warming can be concluded today. Two hon. Ministers, namely, Mr. Raja and Mr. Kapil Sibal are waiting for that. ... (*Interruptions*)

SHRI BRAJA KISHORE TRIPATHY (PURI): But there are many more speakers to speak on the Global Warming... (*Interruptions*)

SHRI B.K. HANDIQUE: But the hon. Speaker has already announced in the House that the discussion has been concluded and only the reply remains to be given... (*Interruptions*)

MR. CHAIRMAN: You advice me what to do.

... (*Interruptions*)

SHRI B.K. HANDIQUE: Sir, let the Bill be passed first.

SHRI ANANTH KUMAR (BANGALORE SOUTH): Sir, what about the discussion on price rise?

MR. CHAIRMAN: After the Minister's reply to this Bill and after the reply to the discussion on Global Warming, we will take up price rise.

SHRI SHARAD PAWAR: The major issue which we are facing today in the country is that the one side there might be calamities where farmers are facing a lot of problems, and on the other side, there might be some problem and the farmer has to take money from some private money-lenders. Ultimately, if he is not in a position to return the money, due to the pressure from private money-lenders, we have seen in some of the examples where the farmers have committed even suicides. But there are a number of cases also where the farmer is facing serious problem because of the distress sale. So, how long we have to accept this situation where the farmer has to go for distress sale? That is the reason why this particular legislation has been brought. Exactly, what provisions are being made here? The farmer will produce his crop and he will take it to a particular warehouse which has been accredited. He has every right to keep his produce in that warehouse. He will get a receipt and that receipt will be treated like a cheque of any bank where he will get money and whenever he wants to dispose it of, he has got every right to dispose it of. There is no hoarding. When the prices totally collapse, he is not in a position to get even the cost of cultivation. So, there should be some safeguard for the farmer where he could get a proper price. This particular thing is being provided by this particular type of legislation. That is why, I say that it is a farmer-friendly legislation.

Some of the issues have been raised here regarding what type of warehouses will be there. The moment this Bill will be approved by both the Houses and it comes into effect, I am confident the warehouse movement will grow in this country. This country is essentially dominated by the farming community. Therefore, it requires a number of warehouses. Today, there are a limited number of warehouses which might be owned by the State Warehousing Corporation or the Central Warehousing Corporation or there might be some private warehouses. [\[R44\]](#) But because of this legislation, I am confident that a number of other organizations, including private parties, would come forward and construct warehouses with different types of facilities. There is every possibility that even some of the cold storages could also be treated as warehouses under this Act where the farmers would be able to keep their produce safely and also where the life of the produce could be protected. That is why, one should not worry about that.

Certain issues were raised about accreditation of banks. The warehouses that have proposed to give the receipts should be accredited by banks and they should accept the receipts and advance the money. This is the only provision made in this Bill.

I did not understand how the issue of wheat was raised here. But I would like to explain the position very clearly. This year wheat production has gone up to 73.6 million tonnes. Last year wheat production was only 69 million tonnes and if we study the figures for the last five years we would see that the figure hovered around 68 to 69 million tonnes, except for one year when it went up to 72 million tonnes. This

year wheat production has gone up to almost 74 million tonnes. The problem is not that. The food habits of the people across the country are changing. The States, especially the Southern States some three years back never asked for wheat, but now there is a demand for wheat not only from the Southern States but also from the North-Eastern States and owing to this growing demand for wheat, there is a mismatch in the demand and supply position of wheat. We can discuss this issue at a greater length at the time when the issue of price rise is discussed and therefore, at present I would not like to dwell in detail about this.

There was another issue raised about whether the Government has consulted the State Governments or not. The State Governments have been consulted on this issue. I want to make clear one thing here. This legislation will not interfere in the workings of the State Warehousing Act. They will continue to operate as such under the State Act and they need not apply for any registration under the Warehousing Bill. A provision to that effect has been incorporated as a proviso to clause 3 of the Bill. That is why there is no interference and there is no curtailing of the powers of the State Government.

A question was raised about the Essential Commodities Act. The Essential Commodities Act is a central legislation and powers have been delegated to the States. The issue that was raised here about the limit of 50,000 million tonnes. Anybody can keep wheat up to 50,000 million tonnes or more than 50,000 million tonnes in a warehouse. But the only thing that they have to now do is that they have to furnish information to the State Government about the quantity, the price at which procured and all those things. It is only a question of declaration. There is no restriction. I hope this clarification will dispel the apprehensions of the hon. Members about this matter.

Sir, most of the hon. Members have supported this legislation. There was also a question whether this will lead to hoarding of goods and exploitation of the consumers or not. That is not the case. As I have explained earlier. There is a provision and the farming community should be able to get proper price for their produce and they should be in a position to get, at least, the price for their cultivation. This is the intention and reason for which this Bill is being proposed.

One hon. Member raised the question about the delay in the introduction of this legislation. This decision to introduce such a legislation was taken by the previous Government in the year 2001. Finally, when this Government came to power, this Bill was introduced in Parliament. The hon. Speaker had referred this Bill to the Standing Committee. The Standing Committee took about a year to give its Report. It is immediately after the receipt of the Report of the Standing Committee that we have come to Parliament for passage of this Bill. [\[R45\]](#)

Sir, I do not want to take any more time of the House. I am sure that this is a pro-farmers Bill and this will discipline the farmers also. They will be taught as to how they should take benefit out of the market conditions and they will be saved from market variations.

With this background, I say that this Bill is really helpful for the farmers and I hope the hon. House will accept all my suggestions and amendments. Whatever amendments have been made by the Standing Committee have been practically accepted here and I will move them when I get the opportunity to do so.

MR. CHAIRMAN : The question is:

“That the Bill to make provisions for the development and regulation of warehouses, negotiability of warehouse receipts, establishment of a warehousing development and regulatory authority and for matters connect therewith or incidental thereto, be taken into consideration.”

The motion was adopted.

MR. CHAIRMAN: The House will now take up clause by clause consideration of the Bill.

Clause 2

Definitions

Amendment made:

“Page3, line 2, *after* “authorised representative”, *insert*

“(including depository by whatever name called)”. (3)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 2, as amended, stand part of the Bill.”

The motion was adopted.

Clause 2, as amended, was added to the Bill.

Clause 3

Requirement of registration

for warehouses issuing

negotiable warehouse receipts

Amendment made:

“Page 3, *after* line 14, *insert*—

“Provided further that no such registration shall be required for warehouses which do not propose to issue negotiable warehouse receipt.” (4)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 3, as amended, stand part of the Bill.”

The motion was adopted.

Clause 3, as amended, was added to the Bill.

Clauses 4 to 6 were added to the Bill.

Clause 7

Duties of warehousemen

Amendments made:

“Page 4, line 17, *omit* “or non-negotiable”. (5)

Page 4, line 22, *for* “delivery”, *substitute* “receipt”. (6)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 7, as amended, stand part of the Bill.”

The motion was adopted.

Clause 7, as amended, was added to the Bill.

Clause 8 was added to the Bill.

Clause 9

Special powers of warehouseman

to deal with perishable and

hazardous goods

Amendments made:

“Page 4, line 46, *after* “registered post”, *insert* “or telegraphically”. (7)

Page 5, *after* line 18, *insert*—

“(9) Any endorsee shall have the right to intimate the address for service recorded with the warehouseman.”. (8)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 9, as amended, stand part of the Bill.”

*The motion was adopted.**Clause 9, as amended, was added to the Bill.***Clause 10****Lien of warehouseman
on goods***Amendments made:*“Page 5, *omit* lines 36 to 46. (9)Page 6, line 17, *after* “to be held”, *insert*—

“as well as where the owner of the goods is located”. (10)

(Shri Sharad Pawar)[[MSOffice46](#)]

(b3/1615/rbn/sk)

MR. CHAIRMAN : The question is:

“That clause 10, as amended, stand part of the Bill.”

*The motion was adopted.**Clause 10, as amended, was added to the Bill.***Clause 11****warehouse receipts***Amendments made:*Page 7, *after* line 4, *insert*—

“(p) the fact that the warehouseman holds the lien on the goods deposited for his storage and handling charges; and

(q) that the receipt would be valid only till the date of expiry of declared shelf life of the goods for which it is issued.”. (11)

Page 7, *after* line 10, *insert*—

“(4) Authority may, with the prior approval of the Central Government, add, delete or modify any particulars as specified in sub-clause (1) for all or any commodity or class of commodities or for any class of warehouses.”. (12)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 11, as amended, stand part of the Bill.”

The motion was adopted.

Clause 11, as amended, was added to the Bill.

Clauses 12 to 18 were added to the Bill.

Clause 19

**Stoppage of delivery of
goods in certain cases**

Amendment made:

Page 8, for lines 12 to 17, substitute—

Delivery of	“19. When a negotiable warehouse receipt has been issued
goods to	in respect of any goods, the warehouseman shall not
be made	deliver the goods to the depositor/endorsee, until
after due	the due charges are paid to the custodian from the
charges	date of initial deposit till delivery is made and the
are paid.	Warehouse receipt is surrendered for cancellation.”.

(13)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 19, as amended, stand part of the Bill.”

The motion was adopted.

Clause 19, as amended, was added to the Bill.

Clauses 20 to 24 were added to the Bill.

Clause 25

Composition of

Amendment made:

Page 9, line 23, after “**quality control**,” insert “**agriculture**,”. (14)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 25, as amended, stand part of the Bill.”

The motion was adopted.

Clause 25, as amended, was added to the Bill.

Clauses 26 to 34 were added to the Bill.

Clause 35

Powers and functions of Authority

Amendment made:

Page 11, for lines 36 and 37, substitute—

“(n) to determine the minimum percentage of space to be kept reserved for storage of agricultural commodities in a registered warehouse;

(o) to specify the duties and responsibilities of the warehouseman;

(p) to exercise such other powers and perform such other functions as may be prescribed.”. (15)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 35, as amended, stand part of the Bill.”

The motion was adopted.

Clause 35, as amended, was added to the Bill.

Clauses 36 to 42 were added to the Bill.

Clause 43

Offences and

Amendments made:

Page 14, line 12—

for “warehouse receipt”, *substitute* “negotiable warehouse receipt”. (16)

Page 14, line 22—

for “warehouse receipt”, *substitute* “negotiable warehouse receipt”. (17)

Page 14, line 27—

for “warehouse receipt”, *substitute* “negotiable warehouse receipt”.

(18)

Page 14, line 28—

for “warehouse receipt”, *substitute* “negotiable warehouse receipt”.

(19)

Page 14, *for* lines 38 to 42, *substitute*—

“(5) Any depositor, who declared as the value of the goods delivered by him for storage with a warehouseman an amount which he does not believe to be the proper value, commits an offence and shall be punishable for such an offence with fine which may extend to one lakh rupees. ” (20)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 43, as amended, stand part of the Bill.”

The motion was adopted.

Clause 43, as amended, was added to the Bill.

Clauses 44 and 45 were added to the Bill.

[\[MSOffice47\]](#)

Clause 46	Chairperson, members, officers and other employees of Authority to be public servants
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Amendment made:

Page 15, line 18, *after* “Authority”, *insert* “and Appellate Authority”.

(21)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 46, as amended, stand part of the Bill”.

The motion was adopted.
Clause 46, as amended, was added to the Bill.

Clauses 47 to 54 were added to the Bill.

Clause 55**Amendment of
Act 2 of 1899***Amendments made:*

Page 17, line 32, for “8A”, substitute “8B”. (22)

Page 17, line 34, for “8B”, substitute “8C”. (23)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 55, as amended, stand part of the Bill”.

The motion was adopted.
Clause 55, as amended, was added to the Bill.

Clause 1**Short title, extent
and commencement***Amendment made:*

Page 1, line 5, for “2005”, substitute “2007” (2)

(Shri Sharad Pawar)

MR. CHAIRMAN: The question is:

“That clause 1, as amended, stand part of the Bill”.

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1, for “Fifty-sixth”, substitute “Fifty-eighth”. (1)

(Sharad Pawar)

MR. CHAIRMAN: The question is:

“That the Enacting Formula, as amended, stand part of the Bill.”

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The long Title was added to the Bill.

SHRI SHARD PAWAR: Sir, I beg to move:

“That the Bill, as amended, be passed.”

MR. CHAIRMAN: The question is:

“That the Bill, as amended, be passed.”

The motion was adopted.

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