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## UNIT 4 ESSENTIAL COMMODITIES ACT, 1955

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### Structure

- 4.0 Objectives
- 4.1 Introduction
  - 4.1.1 The Aim of the Act
  - 4.1.2 The Objectives of the Act
- 4.2. Various Sections of the Essential Commodities Act
- 4.3 Various Control Orders in the Act
  - 4.3.1 Some Common Features of Various Order
- 4.4 Fruit products Order, 1955
  - 4.4.1 Products Covered Under FPO
  - 4.4.2 Licensing Requirements
  - 4.4.3 Documentations Required
  - 4.4.4 Product Specifications
  - 4.4.5 Specification of Packaging Materials
  - 4.4.6 Labeling Requirements
- 4.5 Meat Food Products Order, 1973
  - 4.5.1 Products Covered Under MFPO
  - 4.5.2 Guidelines for Licensing
  - 4.5.3 Labeling Requirements
- 4.6 Milk and Milk Products Order, 1992
  - 4.6.1 Commodities Covered Under the Order
  - 4.6.2 General Sanitary and Hygienic Conditions for Dairy Establishments
  - 4.6.3 Requirements for Registration
- 4.7 Edible Oils Packing (Regulation) Order, 1998
  - 4.7.1 Salient Features of the Order
- 4.8 Vegetable Oils Products (Regulation) Order, 1998
  - 4.8.1 Salient Features of the Order
  - 4.8.2 Eligibility for Grant of Registration
- 4.9 Sugar Control Order
- 4.10 Sugar Control Order, 1966
  - 4.10.1 Salient Features of the Order
- 4.11 Let Us Sum Up
- 4.12 Key Words
- 4.13 Answers to Check Your Progress Exercises
- 4.14 Suggested Further Reading

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### 4.0 OBJECTIVES

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After the completion of this unit, you will be able to:

- Understand the rationale behind the enactment of Essential Commodities Act, 1955;
- Get familiar with salient features of the Act;
- Get familiar with various Control Orders under the Act;
- Deal effectively with statutory requirements related to food and food processing; and
- Issues related to food safety and quality.

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## **4.1 INTRODUCTION**

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There are many commodities essential to our day-to-day life for the purpose of meeting the basic needs related to food, clothing, housing, health, education, transportation etc. Due to greedy tendency of some traders to make more profit, the scope and is a possibility of hoarding, black marketing and other unfair trade practices had gone up with these essential commodities. To make these commodities easily available with fair price and quality to the common man, The Government of India enacted an Act in 1955 called '**Essential Commodities Act, 1955**' in the interest of general public for control of production, supply, distribution, trade and commerce of certain commodities. The Act came in force from 1<sup>st</sup> April 1955. It is a socio-economic legislation, which safeguards the interest of common man. The Act and various Orders issued under this Act provide necessary powers to the Government to deal with certain emergent situations arising from time to time concerning to Essential Commodities. The Orders related to food and food processing ensures various aspects of food safety and quality. In order to meet the changing needs of the society, the Control Orders have been amended from time to time by notifying in official Gazettes. The major amendments were made in 1981 with some special provisions in various Sections of the Act.

### **4.1.1 The Aim of the Act**

The aim of this Act is to

1. To check black marketing
2. To prevent and punish the offenders of law
3. To check the inflationary trends in prices and commodities and
4. To ensure equitable distribution of essential commodities.

### **4.1.2 The Objectives of the Act**

The objectives of the act are to provide for the control of

- (i) Production
- (ii) Supply
- (iii) Distribution of trade commerce in certain commodities, in the interest of general public.

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## **4.2 VARIOUS SECTIONS OF THE ESSENTIAL COMMODITIES ACT, 1955: SALIENT FEATURES**

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There are several sections in the Essential Commodities Act dealing with different legal aspects so as to make the Act operational. Let us focus on some of the Sections dealing with specific aspect related to title, extent, definitions, powers, duties, penal action, appeal, repeal etc.

### **Title and Extent of Application (Section 1)**

The Act is called “The Essential Commodities Act, 1955” It was passed by the Parliament. It extends to whole of India.

## **Definitions (Section 2):**

The section 2 of this Act defines important terminologies used under the Act.  
What constitute essential commodities:

The phrase “essential Commodity” as per the Act means any of the following commodities (S-2(a))

- (i) Cattle fodder, including oilcakes and other concentrates
- (ii) Coal, including cake and other derivatives;
- (iii) Component parts and accessories of automobiles.
- (iv) Cotton and woolen textiles
- (v) Drugs food stuffs, including edible oilseeds and oils.
- (vi) Iron and steel, including manufactured products of iron and steel.
- (vii) Paper including newsprints, paper board and straw board.
- (viii) Petroleum and petroleum products
- (xi) Raw cotton, whether ginned or unginned, and cotton seed.
- (x) Raw jute
- (xi) Any other class of commodity, the central government may notify from time to time.

As per the act. food crops includes crops of sugarcane. Sugar means any form of sugar containing more than 90 percent of sucrose, including sugar candy, khandsari or any sugar crystalline or powdered form.

## **Power to control production, supply, distribution etc (Section 3)**

Section 3 of the Essential Commodities Act confers various powers upon the Central Government regarding maintenance of smooth supply of essential commodities for equitable distribution at a fair price by An Order may prohibit production, supply and distribution thereof and trade and commerce therein. All the regulatory provisions of license, permit, maintenance of records & forms by the manufacturers/dealers and the powers of **prohibition**, seizer, confiscation, prosecutions etc are included in this section. Every order made under this section required to be laid before both houses of parliament.

## **Manner of exercise of power by central government**

The central government, before the exercise of power, has to form an opinion on the fact that it is necessary and expedient to issue orders for the purpose of :

- (A) Maintaining or increasing the supply of any essential commodities or
- (B) Securing their equitable distribution and availability at fair prices;

Based on the opinion, the central govt. may by Order

- (A) Either provide for regulation; or
- (B) Provide for prohibiting; the production supply or distribution of essential commodity and trade and commerce therein.

## **The power of central government to make regulation**

The regulation that the central government can make may include the following:

- (1) By way of grant of license and permits, either for the production and manufacture of goods or for storage, transport and distribution of goods, disposal, acquisition of essential commodities etc.
- (2) For bringing under cultivation any waste or arable land;
- (3) For controlling the price at which the essential commodity may be bought or sold;
- (4) For prohibiting the withholding from sale of any essential commodity, ordinarily kept for sale;
- (5) For regulating or prohibiting any class of commercial or financial transactions relating to food stuffs or cotton textiles which, in the opinion of the authority making order, are, if unregulated are, likely to be, detrimental to the public interest etc.

## **Imposition of duties on state government (Section 4)**

As per section 4, The central government has been authorized to:

- (1) Confer powers and impose duties upon the
  - (a) State government or
  - (b) Officers or authorities of central government or state government &
- (2) Issue directions to the state government or officers or authorities thereof as to the exercise of powers or the discharge of any duties.

## **Delegation of powers (Discretionary) (Section 5)**

Section 5 of the Act stipulates that the central government may, by notified order, delegate power to officers/ authority subordinate to the central government or to state government and officers or authority subordinate to the, state government on such matters and subjects and conditions, if any, specified in the direction.

### **Effect of orders made under this Act if found inconsistent with other enactments.**

The order made under this Act would have effect over any inconsistent provision if any other enactment or in any instrument under any enactment.

## **Confiscation of essential commodity (Section 6A)**

Section 6 A of the Act states that where an Essential Commodity is seized in pursuance of any order under section 3 and the designated authority satisfies that there is a contravention of any order, may order confiscation of essential commodity, package etc so seized.

## **Essential ingredients for confiscation of goods:**

- (1) The power to order for confiscation of goods is vested with district collector;
- (2) There is no condition precedent for making the order of confiscation that a prosecution case is pending;
- (3) The conferment of powers upon the authority to order confiscation for the contravention of the order made under this act.
- (4) The general provision of criminal procedure code 1973 need not to be followed.
- (5) In the case of perishable commodity, confiscated can be sold and deposited with the court.
- (6) If the parties are acquitted, the amount shall be given back to the aggrieved party alongwith interest if convicted. The amount shall go to the state exchequer.

## **Jurisdiction of criminal courts**

The criminal courts to have concurrent jurisdiction. It means a case can be filed in the criminal court in addition to other remedies made available under the act.

## **Issue of show- cause notice (Section 6 B)**

Section 6 B stipulates that before confiscation of any commodity a show- cause notice to the offender is to be issued in writing informing the ground on which it is proposed to confiscate the commodity, package etc with a reasonable time to reply. The issuance of notice before confiscating the goods is necessary as a part of principle of natural justice.

## **Appeal (Section 6 C)**

Section 6 C provides an opportunity to the aggrieved person to prefer an appeal to the appropriate authority against a confiscation of goods within a month from the date of communication to him of such an order. As per this section an appeal against confiscation of goods lies to judicial authority appointed by concerned state government after giving an opportunity of hearing, the authority can pass any order confirming, modifying or annulling the order appealed against it.

## **Award of confiscation not to interfere with other punishment (Section 6 D)**

This Section states that any confiscation done under this Act by any authority for contravention of any order shall not interfere in the proceeding of trial for which the offender is liable for punishment. This means the two proceedings are independent in nature.

## **Penalties (Section 7)**

As per section 7, person who contravenes any order under section 3, shall be punishable with imprisonment for a term varying from 3 months to 7 years depending upon the offence, or shall also be liable to fine or both as may be decided by the court. In addition, the property of the person who contravened the provisions of the act may also be forfeited.

## **Attempts and Abetment (Section 8)**

As per this section, any person, who attempts to contravene or abets a contravention of any order made under section 3 shall be deemed to have contravened that order.

## **False statements (Section 9)**

As per section 9, any person making false statement shall be punishable with imprisonment for a term which may extend to five years or with fine or with both.

## **Offences by companies (Section 10)**

In the case of offences committed by the companies, the person who committed the offence or person who is incharge of the act shall be held responsible for the offence and punishment shall be given to him accordingly. The offences under the Act are treated as cognizable offences.

## **Power to arrest (Section 10 AA)**

The power to arrest any person accused of committing an offence under this Act is vested upon an officer not below the rank of officer in charge of police station or any police officer authorized by him in writing in this regard.

## **Cognizance of officers (Section 11)**

As per section 11 the courts shall take cognizance of offences punishable under this act only on a report in writing of the fact constituting such offence made either by a public servant (as defined in section 21 of the Indian Penal Code) or any person aggrieved or any recognized consumer association regardless of the fact whether such person is a member of that association or not.

## **Constitution of special courts (Section 12)**

Section 12 A of the Act provides for the constitution of as many special courts as may be necessary by the state government for speedy trial of offences. Each special court shall considering a single Judge to be appointed by the High Court upon a request made by the state government.

## **Presumption as to orders (Section 13)**

This Section states that where an order purports to have been made and signed by any authority in exercise of any power conferred under this Act, a court shall presume that such Order has been made by that authority within the meaning of Indian Evidence Act, 1872 (8 of 1872)

### **Burden of proof in certain cases (Section 14)**

Section 14 stipulates that if a person is prosecuted for an offence under section 3 which prohibits him for doing any act or being in possession of a thing unlawfully or without license or legal document, the burden of proving that he has such authority, permit, license or other documents lies on him.

### **Protection of action taken under the Act (Section 15)**

Section 15 provides protection to the authority for anything done in good faith to the effect that no legal proceeding shall be initiated against him for the action taken in good faith in pursuance of any order made under section 3. Further no legal proceeding shall also be taken against the government for any damage caused or likely to be caused which is done in good faith in pursuance of any order under section 3.

### **Repeals and savings (Section 16)**

With the enactment of Essential Commodities Act, 1955 the Essential Commodities Ordinance, 1955 and other laws enforced in any state or any Order related to production, supply, distribution, trade and commerce of essential commodities existed immediately before the commencement of this Act have been repealed.

Notwithstanding such repeal, any order made by any authority immediately before the enactment of the Act shall continue to be in force under the Act and accordingly any appointment made or license or permit granted or any direction issued immediately before such commencement shall continue in force until and unless it is superseded by any appointment made, license or permit granted or direction issued under this act.

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### **Check Your Progress Exercise 1**

- Note: a) Use the space below for your answer:  
b) Compare your answers with those given at the end of the unit.

1) What is the main objective of enactment of Essential Commodities Act?

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2) What are the powers prescribed under Section 3 of Essential Commodities Act?

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3) Write various steps of confiscation of an Essential Commodity?

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### **4.3 VARIOUS CONTROL ORDERS PASSED UNDER THE ESSENTIAL COMMODITIES ACT 1955**

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There are various Control Orders passed under the Essential Commodities Act 1955 related to commodities like cement, coal, cotton, steel, petroleum, drugs, fodder and food stuffs etc. Many of the orders have been passed from time to time to with a view to deal with the emergent situation. Few of the orders like Cold Storage Control Order, 1980 and Gur Control Order 1997 restricting the trader to store not more than 250 quintal of Gur at any point of time have been repealed subsequently. The important Control Orders related to food and food processing are listed below.

- 1) Fruit Products Order, 1955
- 2) Sugar Control Order, 1966
- 3) Food Grains (Prohibition of Use for Manufacture of Starch) Order, 1966 etc.
- 4) Solvent Extracted Oil, De-Oiled Meal and Edible Flour Control Order, 1967
- 5) Gur (Regulation of Use) Order, 1968
- 6) Sugar Packing and Marking Order, 1970
- 7) Meat Food Products Order, 1973
- 8) Levy Sugar Supply Control Order, 1979
- 9) Milk and Milk Products Order, 1992
- 10) Edible Oils Packing (Regulation) Order, 1998
- 11) Vegetable Oil Products (Regulation) Order, 1998

Some of the above Control Orders are likely to be repealed as an when the Food Safety and Standard Authority (FSSA) under Food Safety and Standards Act, 2006 will be in operation or these will be regulated under one single umbrella of FSSA instead of multiple authorities regulating them at present. Hence we shall discuss brief detail about Fruit Products Order and some other Orders, as basic requirements of all the Orders are more or less same or similar.

### **4.3.1 Some common features of all the orders:**

- i) Require License/Registration
- ii) Require maintenance of hygienic conditions in the processing premises
- iii) Laid down minimum quality standards.
- iv) Prescribe various forms to be maintained/submitted
- v) Empower government authority to prohibit production and sale, seize and Confiscate the commodity for contravention, cancellation of License and Prosecution
- vi) Labeling should meet the requirement rules framed under Prevention of Food and Adulteration Act and Weight & Measure Act 1976.

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## **4.4 FRUIT PRODUCTS ORDER (FPO)**

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This order was promulgated under Section 3 of Essential Commodities Act 1955. It is enforced and implemented by the Directorate of Fruits & Vegetables Preservation, Ministry of Food Processing Industries, Govt. of India. It deals with the products manufactured from perishable commodities like fruits and vegetables. To manufacture and sale any fruit or vegetable product including some non fruit products like sweetened carbonated beverage, a license under this Order is required. It basically stipulates sanitary & hygienic conditions of the manufacturing premises, machinery and equipments, workers' hygiene, quality control facility and minimum product standards.

### **4.4.1 Products Covered Under FPO**

Pickles, Preserves, Candy, Chutney, Syrup and Sharbat, Vinegar, Jam, Jelly Marmalades, Squash, Crush, Cordials, Dehydrated fruits and vegetables, Frozen fruits and vegetables, Canned fruits and vegetables, Tomato Products, Fruits Cereals and flakes, Sweetened Aerated Water and all unspecified fruit and vegetable products which are considered microbiologically safe and contains only permitted additives within permissible limit.

### **4.4.2 Licensing Requirements**

The factory for grant of FPO license is required to be set-up as per hygienic and sanitary requirements laid down in the second schedule of this Order. Some of the requirements are given below:

#### **a) Minimum area for production and storage**

Depending upon the installed capacity per day and annual production, the factories are divided in to five categories. Processing area, annual production limit and fees for each category are given in the table A below:

**TABLE: -A**

S. No.	Category	Installed capacity Per day (Kg)	Annual Production Limit (MT)	Minimum Production Area (Sq mt)	License fees and annual renewal fees (Rs)
1.	Home Scale 'B'	-	10	25	100
2.	Cottage Scale-	-	50	60	250
3.	Small Scale 'A'	1000	100	100	400
4.	Small Scale 'B'	2000	250	150	600
5.	Large Scale	Above 2000	More than 250	300	1500

**Note: - Adequate area for storage of raw materials and finished goods is to be provided.**

**b) Sanitary and hygienic conditions: -**

- Premises to be located in a sanitary place.
- Construction of building to permit hygienic operations.
- Adequate lighting & ventilation facility.
- Doors, windows & other openings to be suitably fly-proofed.
- Floor & walls to be properly cemented/tiled/painted.
- Adequate drainage, effluents & waste disposal facility to be provided.
- Machinery & equipments should permit easy cleaning.
- No vessels used in processing should cause metallic contamination.
- Adequate provision of latrines, urinals, washbasins etc for workers.
- Workers to be provided with clean aprons, head wears etc.
- Workers should be free from contagious diseases.

**c) Water**

There should be adequate provision of potable water as per Bureau of Indian Standards (BIS) for cleaning of fruits/vegetables and direct use in the product.

**d) Machinery and equipments**

Minimum machinery and equipments for processing of fruits and vegetables with respect to each unit operation like washing, cutting/ peeling, juice extraction/ pulping, mixing, heating, filling, sealing etc shall be provided. No iron or galvanized iron vessels are allowed in food processing.

**e) Quality control facility**

The factory should have minimum quality control facility and for large and small-scale unit, there should be provisions for quality control laboratory with qualified chemist / food technologist.

#### **4.4.3 Documentations required**

For grant of FPO license an application in Form “A” is to be submitted along with other documents like plan of the factory, list of machinery & equipments, proof of possession, water analysis report, NOC from local authority and partnership deed/ memorandum of understanding and article of association, wherever applicable. license is issued after the factory is found conforming to the requirements. After a license is granted the factory is inspected from time to time to ensure adherence to the standards laid down with respect to factory hygienic conditions and product specifications. A factory is required to maintain records as per Forms prescribed in the first schedule of the order and also to submit annual production return in prescribed Form “C”.

#### **4.4.4 Product specifications**

There are specifications for each product covered under this order. Some of the quality parameters are given below:

- i) Minimum percentage of fruit / juice / pulp content and drained weight for canned products.
- ii) Minimum percentage of Total Soluble Solids (TSS) and acidity.
- iii) Maximum percentage of moisture content for dehydrated products.
- iv) Microbial standards for certain products.
- v) Limit for artificial coloring matter (maximum 200 mg per kg)
- vi) Maximum limits for artificial sweeteners like saccharine, aspartame etc.
- vii) Maximum limit for chemical preservatives (Only salts of Sulphur dioxide and Benzoic acid are permitted).
- viii) Maximum limit for toxic metals like arsenic, lead, zinc, copper etc.

#### **4.4.5 Specification of packaging materials**

Fruit products should be packed in suitable containers such as glass / pet bottles, sanitary top cans, aseptic and flexible packaging materials conforming to food grade as per Bureau of Indian Standards (BIS).

#### **4.4.6 Labeling requirements**

Container of a product is to be labeled with necessary declarations as per Prevention of Food Adulteration Act (PFA), 1954 & Rules 1955 and Package Commodities Act and Weights & Measures Rules, 1977.

The Following declarations have to be made for any fruit product: -

- FPO monogram with License number.
- Name and type of the product.
- Net content/weight.

- Name of ingredients in descending order of proportion.
- Code/ Batch number  
best before.
- Maximum retail price.
- Full name and address of the manufacturer.
- Declaration of chemical preservatives, artificial coloring matter & artificial sweetener and other additives conspicuously.
- For export product the declaration of “Made in India” or “Product Of India” should be specified.

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## 4.5 MEAT FOOD PRODUCTS ORDER (MFPO)

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The meat product order was promulgated under section 3 of Essential Commodities Act 1955 in the year 1973. The Directorate of Marketing & Inspection (DMI), Ministry of Agriculture, government of India was initially implementing this order and later on it was transferred to Ministry of Food Processing Industries with effect from 19.3.2004. Recently government of India has introduced compulsory quality Control & inspection on fish products & frozen meat/ meat products by amending the Order in the year 2005.

### 4.5.1 Products covered under MFPO

All value added products from meat are covered under MFPO. It includes article of meat food intended or capable of being used as food which is prepared from meat by means of appropriate processing and preservation methods like freezing, dehydration, canning, smoking, curing etc.

### 4.5.2 Guidelines for Licensing

The Processing of meat products require a license under this Order. Hygienic and sanitary requirements of the factory as well as supply of raw meat have been specified in the second schedule of this order. Most of the hygienic requirements are similar to that of Fruit Products Order discussed earlier. However some of the special requirements are given below: -

a) Apart from ensuring strict quality control at all stages of production a special emphasis is given on source of supply of raw meat. If it is not slaughtered in the factory it shall be obtained only from slaughterhouses in which anti mortem and post mortem inspections are carried out with the rules prescribed in that connection and so certified by the local authority. Such meat shall be transported from the slaughter house to the factory under hygienic conditions by taking adequate precautions to ensure that no contamination or deterioration takes place during the period between its procurement and the time of commencement of its processing in the factory. The third schedule of the order specifies the strict hygienic requirements of the slaughterhouse if

it is attached to the factory.

b) Depending upon the source of raw meat, the manufacturers are issued licenses in three categories with fees mentioned in the table B.

**TABLE-B**

S. No	Category	Type of manufacturer	License fee (per annum) Rs.
1	A	Who makes meat food products exclusively from meat of animals slaughtered & dressed in his factory i) If the quantity of meat food products manufactured is more than 150 MT per annum ii) If the quantity of meat food products manufactured is less than 150 MT per annum	5000 2500
2	B	Manufacturer who makes meat food products exclusive from meat of animals slaughtered and dressed in recognized slaughtered house including a slaughterhouse maintained by A category of licensee. i) If the quantity of meat food products manufactured is more than 150 MT per annum. ii) If the quantity of meat food products manufactured is less than 150 MT per annum	2500 1000
3	C	Manufacturer who makes meat food products exclusively from poultry and / or pig meat at places where authorized slaughterhouses do not exist. Fish products are also covered under this category	1000

c) A manufacturer is required to maintain records and submit return in the Forms as prescribed in the first schedule of the order. For a purpose of obtaining MFPO the license, the necessary formatting with other documents have to be submitted. The following information are required to be furnished in the application: -

- 1) The source of raw meat should be clearly mentioned indicating name and address of the slaughterhouse.
- 2) List of equipments used for slaughtering, storing, de-boning, mincing, processing of meat etc.
- 3) NOC or license from a local authority
- 4) List of products and specimen labels for each product to be manufactured.
- 5) Authority letter with name and address of two persons nominated by the manufacturers for assisting the authority during inspection, collection of samples etc.
- 6) List of workers with their medical fitness certificate
- 7) An undertaking for category A licensee stipulating the time required to take up HACCP certification.

- 8) An Undertaking from C category licensees regarding how much time is needed to upgrade in to the B category.

### 4.5.3 Labeling requirements

Labeling requirements are stipulated in the 4th Schedule of the Order, these are more or less same/similar as that described in Fruit Products Order, except some special declarations, which are as follows: -

- 1) In addition to License number, Category of license to be written
- 2) If the product contains mono sodium glutamate (MSG), declaration as “the product is unfit for infant below 12 months” is to be made.
- 3) Every trade name shall be intimated and recorded with the licensing officer.
- 4) Specimen of each item of the label is to be got approved by the licensing authority.

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### Check Your Progress Exercise 2

- Note: a) Use the space below for your answer:  
b) Compare your answers with those given at the end of the unit.

- 1) Write any three hygienic requirements in a factory under FPO.  
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- 2) What are the packing materials permitted under FPO?  
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- 3) What are the precautions needed for raw meat for processing of meat products?  
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## 4.6 MILK AND MILK PRODUCTS ORDER, 1992

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The Milk and Milk Products Order was promulgated under Section 3 of Essential Commodities Act 1955 in the year 1992 after the de-licensing of Dairy sector in 1991. The main objective of

the Order is to maintain and increase the supply of liquid milk and its products of desired quality by regulating production, processing and distribution.



#### **4.6.1 Commodities covered under the order**

- i) Liquid milk of cow, buffalo, sheep, goat either raw or processed in any manner and includes pasteurized, sterilized, recombined, flavoured, skimmed, toned, double- toned, standardized or full cream milk.
- (ii) The milk products include Dahi, Paneer, ghee, butter, cream, yogurt, whole and skimmed milk powder, cheese, condensed milk, khoya, casein, infant milk and any other products made from milk containing more than 50% of milk solid.

#### **4.6.2 General sanitary and hygienic conditions for dairy establishments**

The milk is a highly perishable commodity. Its procurement, processing, transportation & distribution require maintenance of strict hygienic conditions at each operation. Some of the hygienic requirements of dairy establishments are listed below: -

- i) There should be sufficient working area having layout should be available so that it permits hygienic production.
- ii) Floor should be solid and waterproof, which allows easy cleaning and disinfections.
- iii) Walls and ceilings should be impermeable which allow easy cleaning.
- iv) Adequate ventilation and lighting facilities should be there.
- v) Appropriate arrangements for protection against pests should be made available.
- vi) The Instruments and equipments intended to come into direct contact of dairy products should be made of corrosion resistant materials.
- vii) Special water tight, non-corrodible containers should be used for keeping the product.
- viii) Appropriate facilities should be provided for cleaning and disinfecting of equipments and instruments specially cleaning in place (CIP) system.
- ix) An adequate wastewater disposal system, which is hygienic and approved by Pollution Control Board should be available.

#### **4.6.3 Requirements for registration**

Any Plant handling more than 10,000 liters of liquid milk per day or 500 MT of milk solids per annum is required to be registered with the appropriate registering authority as given below, with requisite fee of Rs 5000.

**a) State Registering Authority-** For units with handling capacity up to 2 lakh liters of milk per day or 10000 MT of milk solids per annum.

**b) Central Registering Authority-** For units with handling capacity of more than 2 lakh liters of milk per day or 10000 MT of milk solids per annum.

### **Amendments made in MMPO**

The MMP Order was amended in March 2002 so as to make it more liberal. The salient features of the amendments are: -

- 1) The Order covers sanitary, hygiene, quality and food safety.
- 2) Provision for assigning milk-shed has been done with
- 3) Provision for inspection of dairy plant has been made flexible.
- 4) Provision to grant registration has been reduced to 45 days from 90 days

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## **4.7 EDIBLE OILS PACKING (REGULATION) ORDER, 1998**

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The Edible Oil Packing (Regulation) Order was promulgated in 1998 in order to make the packing of edible oil, which ensures availability of safe and quality edible oils in packed forms at pre-determined prices.

### **4.7.1 Salient Features of the Order**

1. Edible oils including edible mustard oil will be allowed to sell only in packed form.
2. The packer is required to register with a registering authority.
3. The packers have to have his own analytical/ testing facility.
4. The oil should conform to the standards of quality as specified in the **Prevention of food Administrative Act made under the rules.**
5. Edible oil shall be packed in conformity with the labeling standard as per the rules framed under PFA Act, 1955 and Weight and Measure Act 1970.
6. The power for the implementation of the Order is basically conferred upon the state government.
7. The state government will have power to relax any requirement, being the implementing authority.

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## **4.8 VEGETABLE OILS PRODUCTS (REGULATION) ORDER, 1998**

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The vegetable oil products industry is controlled by this Order through the Directorate of Vanaspati, Vegetable Oils & Fats, Department of Food, Public Distribution, Ministry of Consumer Affairs, and Food & Public Distribution. The earlier two Orders – Vegetable Oil Products (Control) Order, 1947 and Vegetable Oil Products (Standards of Quality) Order 1975 have been replaced by a single Order called “Vegetable Oil Products (Regulation) Order, 1998 for proper regulation of manufacture, distribution and sale of vegetable oil products.

#### **4.8.1 Salient Feature of the Order**

- 1) The procedure of registration has been simplified.
- 2) The standards of quality prescribed under the schedule have been tightened.
- 3) The requirements which are in vogue and non-measurable and thus open to arbitrary interpretation have been done away with.
- 4) Consumers’ protection through quality assurance.

#### **4.8.2 Eligibility for grant of registration**

- 1) The units which are equipped with processing facilities for manufacturing of vegetable oil products namely-refined oil, vanaspati, margarine, bakery shortening, fat-spread, blended oils.
- 2) The units, which were equipped with laboratory for testing of quality of the products as per standards, have been prescribed under the Order.

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### **4.9 SUGAR CONTROL ORDER**

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There are various control orders regulating production, distribution and sale of sugar. Taking into consideration the unabated price rise during 1979-80 certain special provisions were made for a temporary period of five years for dealing hoarding, black marketing and evil of various inflationary prices.

Section-3 (3C) of Essential Commodity Act lays down guidelines for determination of price payable to the producer for levy sugar supplied. Under this sub- section levy sugar price is required to be fixed by the Central Government with regard to: -

- i) The maximum price payable for sugarcane.
- ii) The manufacturing cost of sugar.
- iii) Duty or tax payable thereon.
- iv) The securing of a reasonable return on investment for manufacturing of sugar.

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### **4.10 SUGAR CONTROL ORDER, 1966**

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Sugar Control Order, 1966 confers power upon the central government to regulate production, sale and quality of sugar. The Directorate of Sugar, Ministry of Consumer Affairs, Food and Public Distribution vested with the responsibility to enforce and implement this Order.

### 4.10.1 Salient Features of the Order

- i) Clause 3 of the Order deals with the power to regulate production of sugar through Licensing
- ii) Clause 4 confers the power upon the central government to prohibit the sale of sugar
- iii) Clause 5 of the order empowers the central government to issue direction to the sugar producer from time to time regarding production, maintenance of stock, storage, sale, weightment, disposal of sugar etc.
- iv) Clause 6 deals with grant of general or special permit for transport of sugar.
- v) Clause 7 confers the power to regulate the quality of sugar in terms of Indian Sugar Standard grades and to direct reprocessing of sugar if not confirming to such standard grades.
- vi) Clause 9 deals with utilization of sugar regarding delivery from any producer in pursuance of a direction made under section 3 of Essential Commodities Act 1955 and requires the submission of utilization certificate to the Chief Director, Directorate of Sugar within 15 days of taking delivery.
- vii) Clause 11 deals with the power of inspection, entry, search, sampling, seizure etc.
- viii) Clause 15 deals with the delegation of power conferred by the sugar control order, 1996 to any officer or authority of the central / state government.
- ix) An amendment made under this order during 1999 brings the importers and imported Sugar under the preview of Sugar Control Order, 1996.

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### Check Your Progress Exercise 3

- Note: a) Use the space below for your answer:  
b) Compare your answers with those given at the end of the unit.

- 1) Differentiate between State and Central Registration Authority under MMPO.  
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.....  
.....  
.....
- 2) Write two requirements for registration under Vegetable Oil products.  
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.....  
.....  
.....
- 3) State the provision under Clause 7 of Sugar Control Order, 1966.  
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## 4.11 LET US SUM UP

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The central government enacted the Essential Commodities Act, 1955 primarily to deal with emergent situation arising out from time to time concerning to essential commodities by regulating its production, supply and distribution. The various control orders passed under the Act ensure sanitary & hygienic production and minimum quality standards of a product. It also stipulates labeling requirements for the benefit of the consumers. For enforcement and proper implementation of the orders it arms the government authority with various powers like prohibition of production & sale, seize & confiscation of the commodity for contravention, cancellation of license and prosecution etc.

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## 4.12 SOME USEFUL REFERENCES

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- 1) Book: - Essential Commodities Act, 1955 by Sengupta and Lodha.
- 2) Websites: - [http:// www.nic.in/mofpi](http://www.nic.in/mofpi) for FPO and MFPO b) MMPO  
[http:// dahd.nic.in](http://dahd.nic.in) for MMPO  
[http:// fcamin.nic/dfpd](http://fcamin.nic/dfpd) for Edible Oils and Sugar Control Orders

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## 4.13 KEY WORDS

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<b>Term</b>	<b>Definition</b>
<b>Black marketing</b>	: Illegal trading of essential commodities for making more profit.
<b>Chemical Preservatives</b>	: Chemical substances used in food products enhance shelf life of the product by restricting growth of spoilage microorganism
<b>Cognizance</b>	: The hearing of a thing legally. Taking Cognizance of an offence means taking notice of an offence.
<b>Company</b>	: Any body corporate including firm or other association of individuals registered the companies Act.
<b>Confiscation</b>	: Seize & disposal of an article, with fine, in a manner which an appropriate authority deems fit.
<b>Contagious diseases</b>	: Diseases, which have potentiality of transmission from one person or species to another
<b>Installed Capacity</b>	: Capacity of plant and machinery to produce maximum quantity in a day.
<b>HACCP</b>	: Hazard Analysis and Critical Control Point a systematic preventive approach to food safety that addresses physical, chemical and biological hazards.
<b>Hoarding</b>	: Illegal accumulation of essential commodities for making more profit by unfair trade practice.

<b>Label</b>	: A display of written, printed, stenciled, embossed or stamped matter on the container of any product
<b>Levy Sugar</b>	: Sugar requisitioned by the central government for controlled distribution and sale.
<b>Order</b>	: A set of rules which govern the process and quality of a Product.
<b>Pasteurized Milk</b>	: Milk is heated to a particular temperature and time to kill pathogenic microorganism to make it fit for consumption
<b>Potable Water</b>	: Water, which is fit for human consumption as per Bureau of Indian Standards
<b>Prohibition</b>	: Lawful prevention of production and sale of any commodity for contravention of any order.
<b>Sanitary top cans</b>	: Metal container with tin coating used in canning of food products which can be hermetically sealed
<b>Slaughter House</b>	: Building or premises, which is licensed by Local Authority for slaughtering animals intended for human consumption
<b>Toxic metals</b>	: Heavy metals contaminated in food, traces of which may cause harm to our body.
<b>Vegetable Oils</b>	: Oils produced from oil cakes or seeds or oil bearing materials of plant origin.
<b>Vegetable oils product</b>	: Vegetable oils subjected to process called hydrogenation in any form or admixture with any other substances for human consumption.

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## 4.14 ANSWER TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress Exercise 1

Your answer should include the following points:

- 1) Main objective of Essential commodities Act is to ensure availability of essential commodities with fair price and quality.
- 2) Section 3 of the Essential Commodities Act confers power upon the central government to control the production supply, sale, distribution of essential commodities and to prohibit, seize, confiscate and prosecute.
- 3) The various steps of confiscation of essential commodity are-
  - a) Seizure of an article for contravention of any order.
  - b) Issuance of show-cause notice giving time limit to reply.
  - c) Appeal by an aggrieved party to the appropriate authority within one month of confiscation order.

## **Check Your Progress Exercise 2**

Your answer should include the following points:

- 1) Three important hygienic requirements of a fruit-processing factory are: -
  - a) Floor and walls should be properly laid with cement/ tiles.
  - b) Doors, windows and other openings are to be properly fly- proofed.
  - c) Adequate facility for disposal of effluents and waste.
- 2) Packaging materials permitted in fruit products are glass/ pet bottles, sanitary top cans, aseptic and flexible food grade materials as per BIS specifications.
- 3) If the animals are not slaughtered in the factory and brought from outside slaughter houses it should be ensured that anti mortem & post mortem inspections are carried out and the raw meat is transported under strict hygienic conditions to avoid any contamination.

## **Check your Progress Exercise 3**

Your answer should include the following points:

- 1)
  - a) State Registering Authority :- For unit with handling capacity less than 2 lakh litres of milk per day or 10000 MT milk solids per annum.
  - b) Central Registering Authority: - For unit with handling capacity of more than 2 lakh litres of milk per day or 10000 MT of milk solids per annum.
- 2) Requirements for Registration for Vegetable oil products are: -
  - i) The unit should be equipped with manufacture of vegetable oil products.
  - ii) The unit should have laboratory for testing the products to check quality as per standards prescribed.
- 3) Clause 7 confers the power to regulate quality of sugar in terms of Indian Sugar Standards Grades and direct reprocessing of sugar not conforming to such standards.