

MAJOR MODIFICATION IN THE STOCK LIMIT ORDER IN RESPECT OF OILS AND OILSEEDS

WHOLESALERS AND BIG CHAIN RETAILERS EXEMPTED FROM THE STOCK LIMIT ORDER WITH IMMEDIATE EFFECT

EXEMPTION WOULD BENEFIT THE CONSUMERS ALSO AS THE WHOLESALERS AND BIG CHAIN RETAILERS WOULD BE ABLE TO KEEP MORE VARIETIES /BRANDS

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In a consistent effort to cool down the domestic prices of Edible Oils, Government of India had issued a landmark order imposing stock limits on the oil and oilseeds put together through the Removal of Licensing Requirements, Stock Limits and Movement Restrictions on Specified Foodstuffs (Amendment) Order, 2021 effective from 08.10.2021. Under this Order, the ceiling of stock limit quantity was left to be decided by the respective States/Union Territories on the basis of available stock of oil and oilseeds and consumption pattern of the respective State/Union Territory. Subsequently, the stock limit quantities on edible oils and oilseeds was prescribed uniformly for all states and union Territories and the order was extended upto 30th June, 2022 vide Order dated 3rd February, 2022 . Later, the order was further extended upto 31.12.2022 vide Central Order dated 30th March, 2022.

The Stock Limit Order was imposed in the country due to increasing prices of edible oils both in international as well as domestic market. Its high volatility was leading to hoarding, profiteering & black marketing at that time. This timely intervention by the Government had led to significant decline of the skyrocketing prices and had helped to keep a check on the hoarding, especially soyabean seeds.

It may be mentioned here that the stock limit for wholesalers and big chain retailers were based on the limits specified in the stock limit imposed in the year 2008 and it was a conscious decision to keep the quantities less . Further, at that time, big chain retailers did not exist or play any major role as compared to today.

As the price situation of major edible oils is now witnessing a gradual reversal as there is considerable decline in the prices of edible oil in the international market as well as the domestic market, the stock limit order was reviewed by the department. A need was felt for exempting big chain retailers and wholesalers from the stock control order as reports were coming that Wholesalers and big chain retail outlets were facing problems in their sale due to the Control Order as the limits specified for them was very less and replacement of shelf stocks in city limits is not possible on everyday basis.

Therefore, in a major move to further make the supply chain seamless, the Government has on Tuesday issued notification for exempting the category of Wholesalers and Big Chain retailers from the current Stock Limit

order. The order will come into effect immediately.

The removal of wholesalers and big chain retailers from the stock limit order would allow them to keep various varieties and brands of edible oils, which they are unable to keep at present due to stock control order.

In view of restoration of ample supplies and continuous decline in the prices of edible oils both in the international as well as domestic market, it was an opportune time for exemption of wholesalers and Bulk consumers (big chain retailers shops) from the stock limit control order. The removal will also have a positive effect on the oilseed prices as it will boost procurement of the oilseeds hereby increasing the returns of domestic oilseeds growing farmers.

AD/KP/PD

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