

L. A. BILL No. XL OF 2023.

A BILL

*to make special provisions to provide compensation to farmers for loss
caused due to sale and use of adulterated, non-standard or misbranded
5 seeds, fertilisers or insecticides in the State of Maharashtra and for matters
connected therewith or incidental thereto.*

WHEREAS, there are no provisions for compensation to the farmers for
losses incurred due to sale and use of adulterated, non-standard or misbranded
seeds, fertilizers or insecticides and for redressal of their grievances in such
54 of 10 matters under the Seeds Act, 1966, the Insecticides Act, 1968 and rules framed
1966. thereunder and the Essential Commodities Act, 1955 and the Seeds (Control)
46 of Order, 1983 and the Fertiliser (Inorganic, Organic and Mixed) (Control)
1968. Order, 1985 ;
10 of
1955.

AND WHEREAS, a *kharif* season has commenced, and lots of complaints
15 regarding adulterated, non-standard or misbranded seeds, fertilisers or
insecticides and non-germination of seeds are received from farmers ;

AND WHEREAS it is expedient to make special provisions to provide compensation to farmers for loss caused due to the sale and use of adulterated, non-standard or misbranded seeds, fertilisers or insecticides in the State of Maharashtra and for matters connected therewith or incidental thereto ; it is hereby enacted in the Seventy-fourth Year of the Republic of India, as follows :—

Short title
and
commencement.

1. (1) This Act may be called the Maharashtra Payment of Compensation to Farmers (for loss caused due to adulterated, non-standard or misbranded seeds, fertilisers or insecticides) Act, 2023.

(2) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

Definitions.

2. (1) In this Act, unless the context otherwise requires,—

(a) “adulterated” means the action of making seed, fertiliser and insecticide poorer or inferior in quality by addition or mixing of another inferior quality of seeds, fertiliser and insecticide or any other substance ;

(b) “Commissioner” means the Commissioner of Agriculture ;

(c) “District Authority” means the District Authority notified by the Government for the purposes of this Act ;

(d) “Economic Threshold Limit (ETL)” means the population density of pest and disease after which control measures should be initiated against increasing pest population to prevent damage to crops ;

(e) “farmer” means any person who raises crops, either by cultivating the land by himself or through any other person ;

(f) “Government” means the Government of Maharashtra ;

(g) “Inspector” means in relation to seeds, the Seed Inspector appointed under the Seeds Act, 1966 ; in relation to fertilisers, an Inspector of fertilisers appointed under the Fertiliser (Inorganic, Organic or Mixed) (Control) Order, 1985; in relation to insecticides, the Insecticide Inspector appointed under the Insecticides Act, 1968 ;

(h) “Investigation Committee” means the Investigation Committee or Committees constituted under section 5 ;

(i) “misbranded fertiliser” means any fertiliser as mentioned in sub-clause (c) of clause 19 of the Fertiliser (Inorganic, Organic and Mixed) (Control) Order, 1985 ;

(j) “misbranded insecticide” means misbranded insecticide as defined in clause (k) of section 3 of the Insecticides Act, 1968 ;

(k) “misbranded seed” seed shall be deemed to be misbranded if,—

(i) it is a substitute for, or resembles in a manner likely to deceive, another variety of seed under the name of which it is sold, and is not plainly and conspicuously labelled so as to indicate its true nature ;

(ii) it is falsely stated to be the product of any place or country ;

(iii) it is sold by a name which belongs to another kind or variety of seeds ;

(iv) false claims are made for it upon the label or otherwise ;

(v) the label does not contain minimum limits of germination and purity conspicuously and correctly ;

(vi) the package containing it, or the label on the package bears any statement or design regarding the quality or the kind or variety of seed contained therein, which is false or misleading in any material particular or if the package is otherwise deceptive with respect to its contents ;

(vii) the dealer registration number is not printed in the manner required by or under relevant control order ;

(viii) the label contains false dealer registration number ;

(ix) its label does not contain a warning or caution which may be necessary and sufficient, if complied with, to protect human, animal and plant life and health or to avoid serious prejudice to the environment ;

(x) the package containing it or the label on the package bears the name of a fictitious individual or company as the dealer of the kind or variety ; or

(xi) it is not labelled in accordance with the requirements of the Seeds Act, 1966 or the Seeds (Control) Order, 1983 or the rules made thereunder ;

(l) “non-standard” means the seed, fertiliser or insecticide which does not meet the standards, specified or prescribed by the Relevant Act or the Relevant Order or the Relevant Rules or as claimed by the producer ;

(m) “phytotoxicity” means any adverse effect on plant growth, physiology or metabolism caused by chemical substance and it includes growth inhibition or plant death and altered plant metabolism ;

(n) “prescribed” means prescribed by rules made under this Act ;

(o) “producer” means a person, group of persons, Firm or Company or Organisation who grows or organizes the production of seeds or who manufactures fertilizers or insecticides ;

(p) “Relevant Act” means,—

(i) in relation to fertilisers, the Essential Commodities Act, 1955 ;

(ii) in relation to seeds, the Seeds Act, 1966 ;

(iii) in relation to insecticides, the Insecticides Act, 1968;

(q) “Relevant Order” in relation to seeds means the Seeds (Control) Order, 1983 and in relation to fertilizers means the Fertiliser (Inorganic, Organic and Mixed) (Control) Order, 1985 ;

(r) “Relevant Rules” in relation to seeds means the Seeds Rules, 1968 and in relation to insecticides means the Insecticides Rules, 1971;

(s) “resistant to pest” a variety of seeds is resistant to pest where population density of pest is negligible or much below Economic Threshold Limit as specified by the concerned Agriculture University, from time to time ;

(t) “susceptible to pest” a variety of seeds is susceptible to pest where population density of pest is more than Economic Threshold Limit as specified by the concerned Agriculture University, from time to time ;

(u) “tolerant to pest” a variety of seeds is tolerant to pest where population density of pest is near to Economic Threshold Limit but not more than Economic Threshold Limit as specified by concerned Agriculture University, from time to time.

(2) Words and expressions used but not defined herein shall have the same meanings as are respectively assigned to them in the Essential Commodities Act, 1955, the Seeds Act, 1966, the Insecticides Act, 1968 and the Seeds (Control) Order, 1983 and the Fertiliser (Inorganic, Organic and Mixed) (Control) Order, 1985. 10 of 1955. 54 of 1966. 46 of 1968.

Compensation. **3.** A farmer, who has purchased and used the seeds, fertilisers or insecticides, which are found adulterated, non-standard or misbranded, shall be entitled to compensation under this Act in the following cases, namely :— 10

(1) In respect of seeds,—

(a) if germination is less than the germination percentage specified under the Seeds Act, 1966 or claimed by the producer ; 15 54 of 1966.

(b) infestation of pests and diseases beyond Economic Threshold Limit as specified by the concerned Agriculture University, from time to time, although producer claims on labels that the variety is resistant to pest and diseases ;

(c) infestation of pests and diseases beyond Economic Threshold Limit as specified by the concerned Agriculture University, from time to time, although producer claims on labels that the variety is tolerant to pest and diseases ; 20

(d) sale of seed outside the recommended Agriculture Zone or Region as notified by the Central Government or claimed by the producer ; 25

(e) sale of adulterated, non-standard or misbranded seeds ;

(f) not complying with additional claim printed on the package in respect of germination, resistance or tolerance to pest and disease and purity ; 30

(g) such other cases as may be prescribed by rules by the Government.

(2) In respect of fertilisers,—

(a) sale of adulterated, non-standard, or misbranded fertilizers ;

(b) sale of fertiliser not complying with label claim on the package ; 35

(c) phytotoxicity due to use of fertilisers ;

(d) such other cases as may be prescribed by rules by the Government.

(3) In case of insecticides,— 40

(a) sale of adulterated, non-standard or misbranded insecticides ;

(b) sale of insecticides not complying with label claim on the package ;

(c) loss caused by sale of certain insecticides prohibited under the Insecticides Act, 1968 ; 45 46 of 1968.

(e) phytotoxicity due to use of insecticides ;

(f) such other cases as may be prescribed by rules by the Government.

4. (1) A farmer may, in cases mentioned in section 3, make a complaint in writing to the Taluka Agriculture Officer in such form and in such manner as may be prescribed. Procedure for dealing with complaints of farmers.

(2) The farmer shall submit along with the complaint a copy of the receipt regarding purchase of seed, fertiliser or insecticide, their containers or bags along with the marks or labels, if any.

(3) The complaint,—

(a) for poor germination, shall be filed within twenty days after sowing ;

(b) in case of infestation of pests and diseases against the claims of seeds producers, shall be filed within forty-eight hours after noticing the incidence ;

(c) in case of genetic impurity, shall be filed within fifteen days from the date of fifty per cent. of flowering or at appropriate stage as specified by the concerned Agriculture University ;

(d) in case of fertilisers, shall be filed within forty-eight hours after noticing that the incidence of phytotoxicity has occurred ;

(e) in case of insecticides, shall be filed within forty-eight hours after infestation of pests and diseases is visible and incidence of phytotoxicity has occurred ;

(f) in any other case shall be filed within such period as may be prescribed by rules by Government.

(4) After receipt of complaint under this section, the Taluka Agriculture Officer shall forward the same immediately to the Investigation Committee for enquiry.

5. (1) The Commissioner shall, from time to time, constitute a Investigation Committee or Committees for assessment and evaluation of crop losses sustained by the complainant in cases mentioned in section 3. Investigation Committee.

(2) The Investigation Committee shall consists of Officer of Agriculture Department not below the rank of Taluka Agriculture Officer, Scientist from the concerned Agriculture University or *Krishi Vidnyan Kendra* or Agriculture Research Centre and Inspector under the Relevant Act or Relevant Control Order.

(3) The Investigation Committee shall visit immediately the concerned field of the complainant after receipt of the complaint, for detailed investigation. The Investigation Committee shall carry out inspection in the presence of representatives of the producer and the complainant farmer. The Investigation Committee shall make necessary enquiry, as it may deem fit.

(4) The Investigation Committee shall prepare a detailed report of its findings and forward the same to the District Authority for its consideration within ten days after the receipt of complaint by the Taluka Agriculture Officer.

Award of
compensation.

6. (1) The State Government shall by notification published in the *Official Gazette* constitute the District Authority for every district consisting of such members as may be specified therein.

(2) The District Authority may, after considering the reports of the Investigation Committee and other documents produced before it and after giving an opportunity of being heard to the complainant as well as to the producer, distributor or seller, award appropriate compensation to the complainant to be paid by the producer, distributor or seller or may reject the same, after recording reasons therefor in writing.

(3) The District Authority shall, within thirty days of receipt of the report of the Investigation Committee, either pass appropriate award of compensation or reject the complaint.

(4) The Commissioner may, in consultation with the concerned Agriculture University, issue guidelines, from time to time, for specifying criteria and procedure to determine the compensation to be paid under this Act.

(5) The District Authority shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908, while trying a suit in respect of the following matters, namely :—

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1908.

(a) summoning and enforcing the attendance of any defendant or witness and examining the witness on oath ;

(b) requiring the discovery and production of any document or other material object as evidence ;

(c) receiving of evidence on affidavits ;

(d) the requisitioning of the report of the concerned analysis or test from the appropriate laboratory or from any other relevant source ;

(e) issuing of commissions for the examination of any witness, or document.

Payment of
compensation.

7. The compensation awarded by the District Authority shall be paid to the complainant by the producer or distributor or seller within a period of thirty days from the date of receipt of the order of compensation. In case of delayed payment, interest at the rate of twelve per cent. per annum shall be levied.

Appeal.

8. Any person aggrieved by an order of the District Authority may appeal to the Commissioner within thirty days from the date receipt of the order of the District Authority along with such fees as may be perscribed. The decision of the Commissioner in such appeal shall be final :

Provided that, no appeal by a person, who is required to pay an amount as per the order of the District Authority, shall be entertained by the Commissioner unless the appellatant has deposited fifty per cent. of compensation amount in the manner, as may be perscribed :

Provided further that, the Commissioner may entertain the appeal after expiry of the said period of thirty days, if he is satisfied that the appellatant was prevented by sufficient cause from filing the appeal in time.

Compensation
to be
recovered as
arrears of
land revenue.

9. If the producer, distributor or seller fails to pay compensation within a period of thirty days from the date of receipt of the order of the District Authority, it shall be recovered as arrears of land revenue.

10. The complaint under this Act shall not be entertained if the complainant has filed any complaint or application for compensation for same cause before any other authority or court under any other law. Bar of complaint.

11. The provisions of this Act shall be in addition to, and not in derogation of, any other law for the time being in force. Provisions of this Act to be in addition to other laws.

12. The State Government may give such directions to the Investigation Committee, the District Authority or any other officer of the Government as it may appear to it to be necessary for carrying out the purposes of this Act. Power to give directions.

13. No suit, prosecution or other legal proceeding shall lie against Taluka Agriculture Officer, Investigation Committee, Commissioner or any other officer or authority of the Government for anything which is in good faith done or intended to be done under this Act or the rules made thereunder. Protection of action taken in good faith.

14. (1) The State Government may, by notification published in the *Official Gazette*, make rules for carrying out the purposes of this Act. Power of Government to make rules.

(2) Every rule made under this Act shall be laid as soon as may be after it is made, before each House of the State Legislature, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, and notify such decision in the *Official Gazette*, the rule shall, from the date of publication of such notification, have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done or omitted to be done under that rule.

15. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may as occasion arises, by an order published in the *Official Gazette*, do anything not inconsistent with the provisions of this Act which appears to it to be necessary or expedient for removing the difficulty : Power to remove difficulties.

Provided that, no order shall be made under this section after the expiry of two years from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid before each House of the State Legislature.

STATEMENT OF OBJECTS AND REASONS

The Agriculture sector plays very important role in the overall development and welfare of the people of the State. The farmers of the State are adopting new and improved technologies to increase agricultural produce. The use of improved and hybrid seeds, various combinations of fertilisers and pesticides to control the pests and diseases by the farmers has also increased. The Government, Agricultural Universities and Agricultural Research Centers are also recommending to adopt improved technologies to cope up with the increasing need of the food grains. This adoption of improved technology requires more financial investment, which is to be availed from banks and other financial institutions.

2. It is noticed that, some of the producers, manufacturers, distributors, dealers and sellers are engaged in production, manufacture, distribution or sale of adulterated, non-standard or misbranded seeds, fertilizers or insecticides for making quick money, due to lenient punishments provided therefor under the Seeds Act, 1966 (54 of 1966), the Insecticides Act, 1968 (46 of 1968) and the Essential Commodities Act, 1955 (10 of 1955). The farmers buy seeds, fertilizers or insecticides from the market. Use of such adulterated, non-standard or misbranded seeds, fertilizers or insecticides results in crop failure and low yield which incur financial losses to the farmers.

The above referred Central Acts and rules framed thereunder and the Seeds (Control) Order, 1983 and the Fertilizer (Inorganic, Organic and Mixed) (Control) Order, 1985 do not contain provisions for payment of compensation for the loss incurred by the farmers due to use of adulterated, non-standard or misbranded seeds, fertilizers or insecticides. The Government, therefore, considers it expedient to make a new law to provide compensation to the farmers for such losses caused to them, by making the producers, manufacturers, distributors, dealers and sellers of adulterated, non-standard or misbranded seeds, fertilizers or insecticides, liable for payment of compensation.

3. The salient features of the Bill are as under, namely :—

(a) to provide compensation to farmers for losses due to use of adulterated, non-standard or misbranded seeds, fertilisers and insecticides ;

(b) to provide grounds for claiming compensation ;

(c) to provide procedure for filing and dealing with complaints of farmers ;

(d) to provide investigation by Investigation Committee for assessment and evaluation of crop losses sustained by the farmers in time bound manner ;

(e) to provide payment of compensation within one month and provision for twelve per cent. per annum interest in case of delayed payment ;

(f) to provide deposit of fifty per cent. of amount of compensation before filing of appeal.

4. The Bill seeks to achieve the above objectives.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposals for delegation of a legislative power, namely :—

Clause 1(2).—Under this clause, power is taken to the State Government to appoint, by notification in *Official Gazette*, the date on which this Act shall come into force.

Clause 2(c).—Under this clause, power is taken to the State Government to notify the District Authority.

Clause 3.—Under this clause, power is taken to the State Government to prescribe by rules such other cases of seeds, fertilizers and insecticides in which farmer shall be entitled for compensation.

Clause 4.—Under this clause,—

(a) in sub-clause (1), power is taken to the State Government to prescribe form and manner in which farmer may make complaint under this Act;

(b) in sub-clause (3)(f), power is taken to the State Government to prescribe the time within which complaints in other cases may be filed.

Clause 5(1).—Under this clause, power is taken to the Commissioner of Agriculture to constitute the Investigation Committee for assessment and evaluation of crop losses sustained by the complainant.

Clause 6.—Under this clause,—

(a) in sub-clause (1), power is taken to the State Government to constitute the District Authority by notification in the *Official Gazette*;

(b) in sub-clause (4), power is taken to the Commissioner of Agriculture to issue guidelines, time to time, for specifying criteria and procedure to determine the compensation to be paid under this Act.

Clause 12.—Under this clause, power is taken to State Government to give directions to the Investigation Committee and the District Authority and any other officer of the Government as it appears to be necessary for carrying out the purposes of the Act.

Clause 14 (1).—Under this clause, power is taken to the State Government to make rules to carry out the purposes of this Act.

Clause 15.—Under this clause, power is taken to the State Government to issue an order published in the *Official Gazette* for removing any difficulty, which may arise in giving effect to the provisions of this Act, within a period of two years from the date of commencement.

2. The abovementioned proposals for delegation of legislative powers are of normal character.

**MAHARASHTRA LEGISLATURE
SECRETARIAT**

[L. A. BILL No. XL OF 2023.]

[A Bill to make special provisions to provide compensation to farmers for loss caused due to sale and use of adulterated, non-standard or misbranded seeds, fertilizers or insecticides in the State of Maharashtra and for matters connected therewith and incidental thereto.]

**[SHRI DHANANJAY MUNDE,
Minister for Agriculture.]**

**JITENDRA BHOLE,
Secretary (1) (I/C),
Maharashtra Legislative Assembly.**