

BY FAX/POST

GOVERNMENT OF ODISHA  
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT  
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From

Shri P.K. Mohapatra, I.A.S.  
Principal Secretary to Government.

To

All Collectors.

**Sub: Food and Procurement Policy for the Kharif Marketing Season (KMS) 2017-18.**

Madam/Sir,

I am directed to say that Government has been pleased to approve the Food & Procurement Policy for the Kharif Marketing Season 2017-18 as follow:-

**1. Objectives:**

Odisha became a Decentralized Procurement (DCP) State in KMS 2003-04 for the purpose of procurement of paddy/rice. From a modest quantity of 0.95 lakh MT procured by the State under DCP in KMS 2003-04, procurement operations touched the benchmark of 36.80 lakh MT in terms of rice in KMS 2016-17. Paddy procurement operations pumped in close to Rs.8000 crore to Odisha's rural economy in KMS 2016-17 and the State is one among the top four paddy procuring surplus states in the country. The objectives of the Food and Procurement Policy are:

- To ensure Minimum Support Prices (**MSP**) to the farmers for different varieties of paddy [conforming to Fair Average Quality (**FAQ**) norms] which they bring to the Paddy Purchase Centres (PPCs) for sale.
- To ensure timely milling of procured paddy with effective and efficient use of available rice milling capacity through Custom Milling (CM) route and timely delivery of rice by the millers to Food Corporation of India (**FCI**) Depots and Rice Receiving Centres (**RRCs**) of Odisha State Civil Supplies Corporation Ltd (**OSCSC**).

- To ensure timely availability of rice for Public Distribution System (**PDS**) across the State through efficient utilization of available storage godowns and prudent movement of stocks.
- To develop a few market yards for auction of higher quality of paddy in the State at a premium fetching a higher price for the farmers.

## **2. Expected Outcomes:**

- 2.1** Farmers would be able to sell their paddy as close as possible by locating good number of Paddy Purchase Centres (**PPCs**) through PACS/LAMPCS/WSHG/Pani Panchayats (societies, in short) and agencies. The District Administration would tag the PPCs (and societies) with clear delineated areas so as to cover all villages in the State well in advance for farmers to register and sell their paddy.
- 2.2** Farmers are made aware about the FAQ norms so that they bring in FAQ paddy to the PPCs and get Minimum Support Price (MSP) for their paddy.
- 2.3** PPCs would have adequate facility to handle and clean the balance non FAQ paddy at the cost of farmers.
- 2.4** Payment for paddy purchased from farmers by the State Agencies or their authorized Societies is made through direct transfer to the bank accounts of the farmers **by electronic mode** within three to seven days of the purchase.
- 2.5** Paddy allocated / issued to Rice Mills from PPCs is proportional to the capacity of the mill and the security amount deposited by Mill owners.
- 2.6** Paddy will be purchased from farmers who register themselves with their nearest societies in the online portal of FS & CW Department before the start of procurement operations in Kharif/Rabi season. Farmers who are willing to sell their surplus paddy through societies shall have to submit their personal/ land/ bank account details through a pre designed registration form to their respective societies. The societies shall digitize the registration forms within

the prescribed time schedule and use the information for assessing the surplus paddy in Kharif Marketing Season 2017-18.

The State shall endeavour to bring more and more farmers into the procurement fold so that they receive the benefit of MSP.

- 2.7** Rice Mills shall be tagged to the PPCs (societies) by the District Administration to ensure that the estimated procurement target of a society takes care of the surplus paddy assessed as per Farmer Registration. It is also to be ensured that the overall target of the district is covered either by the local millers or in combination with outside district millers.
- 2.8** The receipt of paddy from PPCs and delivery of Custom Milled Rice(CMR) by mills to Rice Receiving Centers (**RRCs**) shall be monitored on near real time basis through a mobile reporting system (m-Gov application) by societies/agencies and millers and an application software (SCMS) with various levels of authorization.
- 2.9** As far as possible, tagging of Mills to PPCs and Mills to RRCs is to be made on the basis of distance from the mill, capacity of the RRC and requirement of rice for PDS in the area apart from mill capacity for minimizing overall cost of transportation from paddy receipt to rice delivery for PDS .
- 2.10** The procurement process shall be made transparent, efficient and accountable by use of Information and Communications Technology (ICT) at various stages of paddy/rice procurement operations.
- 3. Fixing target:**
- 3.1 Farmer Registration & assessment of Marketable Surplus at each Society (PPC) level:** All PACS/Societies are to digitize the farmer registration forms (containing farmer details and his/her paddy cultivated plot-wise land details) online through a web based application under their login and secured password by the prescribed timeline. Farmers are expected to submit their registration forms to their concerned societies by the timeline fixed by FS&CW Department. All farmers should be encouraged to

register their paddy land details through the pre designed Registration form.

All farmers have to provide information about their Identity Proof in terms of either Kisan Credit Card (**KCC**) or Biju Krishak Kalyan Yojana (**BKKY**) Card or Voter Card (**EPIC**) in the Registration form mandatorily. The same ID proof (KCC or BKKY or EPIC) would be used as the Farmer Identity Card (FIC) in the society for selling paddy. All farmers are required to furnish their Aadhaar Numbers in the KMS 2017-18. No new Farmer Identity Card would be prepared by any District and issued to farmers for the purpose of paddy procurement in Kharif Marketing Season 2017-18.

The FS&CW Department would finalise the per acre yield of paddy for both irrigated land and non-irrigated land in the manner as detailed at para 3.2 and update it in the online system at State level by 26<sup>th</sup> October, 2017 for calculating the marketable surplus of each farmer.

Society wise Farmers' Paddy Assessment & Procurement Register would be generated indicating the marketable surplus (calculated after deducting quantity required for consumption @ 3 quintals per family member) in respect of each registered farmer (arranged alphabetically from ଥି to ଞ in Odia) along with their ID details, bank account details and mobile phone number. This register would indicate the target for the society which would be the total of marketable surplus of all farmers registered under the society.

**3.2 Per acre yield:** The per acre yield of paddy in rainfed and irrigated areas for procurement targets is to be fixed as per realistic estimates of yield by Agriculture Department based on last five years' yield and current year's crop condition. However, the per acre procurement target for a common command area (irrigated land) would be fixed consistently across the command area which may cut across districts. It would be moderated by the concerned

RDC(s) if more than one district is part of a common command area.

This information is very crucial as it is to be used while calculating surplus paddy of an individual farmer and assessing the surplus paddy available under a society. All the information regarding **per acre yield** have to be finalized by 26<sup>th</sup> October, 2017 so that same is incorporated in the online Farmers' Registration portal by 31<sup>st</sup> October, 2017 for generating Master farmer register for each society and market yard.

**3.3 District wise/Agency wise Targets:** The procurement target of a District would be total of targets of all participating societies in the District. This would be generated online based on the verified and updated database of farmer registration. FS&CW Department would finalize the district wise procurement targets based on the updated database as mentioned above in such a manner so as to achieve the overall procurement target. Similarly, the agency wise targets would be fixed based on the paddy availability with the PACS earmarked and allocated to them. Collectors of the districts would finalize the PACS/ Societies or Paddy Purchase Centers covering a Block(s) for the State Agencies other than OSCSC. OSCSC shall not procure in the PACS/Societies earmarked for other Agencies except in case of their failure to ensure timely procurement.

It is seen that State agencies are not participating at the beginning of the procurement season when the pressure for procurement is high and District Administration has to ask Odisha State Civil Supplies Corporation (OSCSC) to step in. **All State agencies committing to procure in a district have to start procurement from the first date as decided by the DLPC failing which they may be debarred from participation.**

**3.4 Overall Target:** Having regard to overall agricultural production, requirement of food-grains for TPDS (NFSA) and the trend of procurement in the past four years, the procurement target is fixed at 36 Lakh MTs in terms of rice for the Kharif Marketing Season

2017-18 for procuring paddy through State Government agencies including the Food Corporation of India. There is no bar on procurement of any higher quantum if more paddy comes to PPCs/ mandies from registered farmers.

Minister, FS&CW is authorized to modify the overall target as per the need during the KMS 2017-18.

**4. The Decentralized Procurement Scheme (DCP):** Odisha has accepted the DCP scheme proposed by Government of India since KMS 2003-04. Under the scheme, the Odisha State Civil Supplies Corporation and other State Agencies, on behalf of Government of Odisha, procure paddy, mill it through custom millers and utilize the milled rice to meet the needs under NFSA, MDM, SNP & other Welfare Schemes. The role of Food Corporation of India (FCI) has been reduced to accepting the surplus rice from the State (procured by various State Agencies), and evacuating surplus custom milled rice to outside consuming States. It is also responsible to bring in wheat required for PDS to the State.

**4.1 Procurement by Agencies of State Government:** The State Government Agencies, namely, Orissa State Civil Supplies Corporation Ltd (OSCSC), MARKFED, TDCC (and any other agency deemed suitable by Government) will procure paddy with the help of societies (PACS/LAMPCS/WSHG/Pani Panchayats) as per FAQ specifications laid down by the Government of India and in accordance with the guidelines issued by the FS&CW Department from time to time under the Decentralized Procurement Scheme. **OSCSC will procure paddy in all districts but other State agencies, if necessary, will be mostly assigned to surplus districts to procure paddy.**

**4.2 Procurement by FCI:** The Food Corporation of India (FCI) may also procure paddy directly from farmers in some of the surplus districts assigned to it in KMS 2017-18. But the main activity of FCI in the State at present is to receive surplus CMR from State

Agencies including OSCSC and evacuate it to deficit States so that space is created for receiving CMR on regular basis.

**4.3 Distribution:** At present Odisha needs about 20 Lakh MT of rice annually to meet its requirement for PDS under NFSA, MDM, SNP and other Welfare Schemes. Balance surplus rice proposed to be procured in KMS 2017-18 shall be delivered to FCI. The OSCSC shall utilize the custom milled rice (CMR), obtained from the paddy procured by it, for distribution through the Public Distribution System in accordance with the Decentralized Procurement (DCP) Scheme of Government of India.

**4.4 Prudent movement of Food Grains:** OSCSC shall transport rice from surplus districts to deficit districts to meet the requirement under PDS as well as for optimum utilization of storage space. The transportation of rice from surplus districts to deficit districts, wherever imperative, shall be made in accordance with a prudent movement plan to be chalked out by OSCSC in consultation with FCI authorities and with approval of FS & CW Department. Minimum transportation cost shall be the governing principle underlying all movements of food grains from one district to another.

**4.5 The State Pool:** The requirement of food grains for State Pool to meet the shortfall in Government of India allocation in certain schemes of PDS will be procured by the OSCSC while maintaining separate accounts for the same and the balance quantity shall be delivered to the Central Pool. The accounting of State pool rice may be kept separately by OSCSC both with respect to stock and funds.

**5. Levy Procurement:**

The Odisha Rice and Paddy Procurement (Levy) and Restriction on Sale and Movement Order, 2013 has already been rescinded with effect from 01.10.2015 as per instruction of Government of India. Hence, no levy rice has been procured under Levy route from KMS 2015-16.

However, to regulate paddy procurement and Custom Milling of rice the State Government has notified on 20.4.2016 Odisha Rice and Paddy Procurement and Custom Milling of Rice Order, 2016.

**6. Minimum Support Price of Paddy (MSP), Specification of FAQ Paddy and Procurement period:**

**6.1** The Government of India has announced the following Minimum Support Price (MSP) for different varieties of paddy conforming to Fair Average Quality (FAQ) norms for KMS 2017-18:

(i) Common : Rs.1550/- per quintal

(ii) Grade "A" : Rs.1590/- per quintal

**6.2** Paddy/rice shall be in sound merchantable condition, sweet, dry, clean, wholesome, of good food value, uniform in colour and size of grains and free from moulds, weevils, obnoxious smell, *Argemone Mexicana*, *Lathyrus sativus* (Khesari) and admixture of deleterious substances.

The detailed quality specifications of paddy and rice as laid down by Government of India for KMS 2017-18 shall be applicable in the State. **Payment of MSP is applicable only for FAQ standard paddy and sale of non-FAQ paddy below the MSP will not amount to distress sale.**

**6.3** In case of any natural calamity like unseasonal rains which causes discoloration, paddy under relaxed specifications (URS) (as and when approved by Government of India) may be accepted by the State Government and the resultant rice of such URS paddy may be used as per directions of Government of India .

**6.4** The Government of India is likely to announce the economic cost of the custom milled rice for the KMS 2017-18 with respect to various cost components in November, 2017. The State Government may accept these prices as decided by the Government of India.

**6.5 Procurement Period:** The Government of India has decided in the preparatory meeting held on 27.7.2017 that Kharif Paddy in the State of Odisha will be procured from November, 2017 to April,



2018 and the last date for delivery of CMR for Kharif paddy will be as per the timelines fixed by Government of India.

Rabi Paddy will be procured from 1.5.2018 to 30.6.2018 and the last date for delivery of CMR of Rabi paddy will be as per the timelines fixed by Government of India.

The District Level Procurement Committee shall allocate adequate number of Mandi/PPC days to each society so that all marketable surplus as per the Farmer Registration data is procured within the procurement period. They have to ensure that farmers bring in paddy of Fair Average Quality (FAQ) as specified by the Government of India. Farmers' training on FAQ will be conducted at districts/sub-districts/PACS level with support from RMCs/PACS. As the PACS/societies have to hand over paddy of FAQ standard to millers, they may land in problems if they do not ensure the same during receipt from farmers.

## **7. Arrangements:**

**7.1.1 State Level Procurement Committee (SLPC):** The State Level Procurement Committee under the chairmanship of the Chief Secretary to Government of Odisha shall review arrangements for paddy procurement operations at the beginning of each Kharif and Rabi Season of the Kharif Marketing Season (KMS). Further, it shall review paddy procurement and delivery of rice by procuring agencies to Rice Receiving Centers (RRCs) of the State Government and the Food Corporation of India (FCI) during each KMS and issue suitable instructions for the guidance of all stakeholders for smooth procurement operations and hassle free experience of farmers.

**7.1.2 District Level Procurement Committee (DLPC):** District Level Procurement Committee has been constituted in each district under chairmanship of Collector. Hon'ble MP(s) of the District, all Hon'ble MLAs of the District and Zilla Parishad President shall be its members. PD, DRDA, Deputy Director of Agriculture, Sub-Collectors, Civil Supplies Officer, DRCS, Secretary of DCCB, DSWO, EE (Irrigation), Secretaries of RMCs, representatives of State

Agencies and such other persons/ officials as decided by Government in FS&CW Department would be its members. The DLPC is expected to meet in the month of October or November 2017 for Kharif season and in April 2018 for Rabi season to finalise the start of procurement date, number and names of the PACS / societies and location of PPC, fix number of PPC/Mandi days for each PPC/Mandi, review the preparations for procurement in the district and take decisions in any matter relating to procurement not specified in this policy for improving the procurement operations.

**7.1.3 Society Level Procurement Committee (SoLPC):** A Society Level Procurement Committee shall be constituted at each PACS/Society with its Secretary as the convener. The local R.I., VAW, three to six farmers of the area, EOs of GPs (within the jurisdiction of PACS) shall be members of this committee. Elected President of the society or any of the farmer members nominated by the committee members shall be president of the SoLPC. However, question of nomination will not arise during the subsistence of the elected President. **BDO** of the Block under which the PACS/Society is located shall notify the committee. A panel of names of farmers covering all villages shall be given by the PACS/Society to BDO to choose three to six (at the maximum) farmers for the committee. The names shall be so chosen as to represent at least one farmer from areas covered by each PPC. This exercise would be completed by all BDOs by the timeline prescribed by FS&CW Department.

The Society Level Procurement Committee (SoLPC) shall be in overall charge of procurement in the society. It will use the data from farmer registration to assess the procurement target for society and accordingly fix the number of days required for procurement to receive the marketable surplus of all the farmers registered with the society. It will supervise the preparation of advance action plan, notify the list of farmers for selling paddy on

each date at least 7 days in advance, monitor the actual procurement and transfer of paddy to the assigned rice mills.

It shall also ensure that payment of farmers' dues is made within three days of procurement as far as possible but never later than seven days. Further, the society will take steps to ensure that small farmers are able to sell their paddy at the beginning of the season. It will create awareness among farmers about FAQ norms and ensure that dry and clean paddy comes to the Mandi or PPC. The society shall submit **advance action plan** to Collector through BDO for successful conduct of procurement by the society.

**7.2 Societies: Registration/ Jurisdiction:** Each PACS/ Society shall register their details online including mobile phone number of the Secretary in the Department's website [www.foododisha.in](http://www.foododisha.in). Those PACS/societies which have already registered may update their current status, if information relating to the society has been changed.

The jurisdictional area shall be delineated clearly among PACS/Societies so as to cover all areas and to avoid confusion among farmers. This should be well publicized among the farmers of the area so that they know the location of the PPC/ Mandi to bring their surplus paddy for procurement. It is a fact that nearly entire rural Odisha has been covered by PACS/LAMPCS which have clear cut demarcation. This demarcation may be followed for delineation of jurisdiction among PACS/Societies. This exercise has been done in previous years before procurement and only changes in jurisdiction, if any, may be notified.

The District Collector with the help of CSO cum District Manager, DRCS, Secretary, DCCB, DSWO, Deputy Director, Agriculture/DAO, Executive Engineer, Irrigation and any other officer considered suitable by the Collector shall prepare a list of capable PACS/WSHG/Pani Panchayats (in short, **societies**) which will participate in paddy procurement operations as agents of OSCSC/other State agencies. PACS/ LAMPCS are to be given priority

over WSHGs and Pani Panchayats (PP) in allocating villages/area for procurement as they have some infrastructure and are dealing with farmers on regular basis. However, if a PACS is not active in an area, a WSHG or a PP may be allotted the said area to procure paddy from farmers. In such cases, there would be clear demarcation between jurisdictions of various societies.

### **7.3 Advance plan by Societies:**

**7.3.1** All PACS/Societies are to digitize the farmer registration forms (containing personal details and his/her cultivated land details) for new farmers and renew such details in case of old farmers through a web based application under their login and secured password within the prescribed timeline.

**7.3.2 Verification of Land and Account details:** To overcome the complaint of unclean land data, plot details of the land claimed to be cultivated for paddy would be submitted by farmers in their application for registration. The authenticity of plot/area would be validated by integrating them with Bhulekh database maintained by Revenue and Disaster Management Deptt. through web services. In respect of plots which cannot be verified through Bhulekh web services, an MIS report for Revenue Inspectors (RIs), village(Mouza) wise & ROR/ Khata wise would be generated at District level and handed over to RIs through the Tehsildars for verification. The village wise land details of farmers would be verified by the concerned Revenue Inspector (RI) from their records and corrected. After correction, the same would be updated in the system at the District level.

Similarly, an MIS report of Bank wise/branch wise/account wise report of farmers would be generated at District level and handed over to District Nodal Bank. The Bank account details of farmers would be verified by the concerned Nodal Bank branches and corrected. The corrected details would be updated at the District level. These verifications and corrections will be done within the scheduled timeline by both RIs and Banks.

**7.3.3 No FIC for farmers:** All farmers have to provide Identity Proof in terms of either Kisan Credit Card (KCC) or Biju Krishak Kalyan Yojana (BK KY) Card or Voter Identity Card (EPIC) in the Registration form. The same ID proof would be used as Farmer Identity Card (FIC) at the society for selling paddy. **No new Farmer Identity Card would be prepared by any District for paddy procurement in Kharif Marketing Season 2017-18.** However, all farmers shall submit their Aadhaar Number during the process of registration in order to shut out entry of fake farmers into the system.

**7.3.4 Farmers' Paddy Assessment and Procurement Register:** The number of Mandi days for a mandi/ PPC will depend on the total marketable surplus of a society and per day paddy handling capacity of the PPC(s) of the society. In KMS 2017-18, Society wise Farmers' Paddy Assessment & Procurement Register would be generated by scheduled timeline wherein the marketable surplus shall be mentioned. This register shall indicate the target for the society which would be total of marketable surplus of all farmers under the society.

The web based application (Farmer Registration) will help in generating various registers and other documents required in procurement operations. During KMS 2016-17 Farmer Registration application was integrated with the P-PAS (Paddy Procurement Automation System) by all state procuring agencies throughout the State to make the procurement process automated, efficient and convenient. During ensuing Kharif 2017-18, the same process will be replicated and thereby all paddy procuring Blocks of the State (i.e. 294 Blocks) will be covered under P-PAS. All payments to farmers would be done electronically and money would be transferred directly to the accounts of farmers throughout the State.

**7.4 Preparation by Societies:** Each of the society selected by District Administration as per procedure in para 7.2 shall have one or more designated place of business for purchasing paddy, i.e. Paddy

Purchase Centre (**PPC**) or Mandi where minimum infrastructural facility as detailed in **Annexure-I** would be made available. The respective RMCs and Societies themselves will be responsible for making these facilities available. An action plan for each PACS/ Society is to be prepared by the District Administration with following steps:

District Administration shall declare the existing Market Yards located in procurement areas belonging to Regulated Market Committees (RMCs) as PPCs/ Mandi. RMCs will declare the designated places of business of the Societies as Additional Market Yards as per provisions of OAPM Act/Rules. In heavy procurement blocks, **temporary market yards** with minimum facilities (as mentioned in **Annexure-I**) would be set up by the concerned RMCs as PPCs for facilitating procurement by State Agencies and/or FCI. The medium and large farmers who can afford transportation to a farther distance would be encouraged to come to these market yards.

The RMC Market yards can also be allotted to two to three PACS/Societies to enable them to procure paddy from farmers of their jurisdiction as market yards have better facilities for weighing and storing in many locations. Such market yards would be the second or third purchase centre (PPC/ Mandi) for the PACS/society apart from their headquarters. Such facility may only be extended to those PACS/society which have adequate manpower to man more than one PPC/ Mandi. In such cases, adequate publicity needs to be given in villages concerned which are tagged to different PPCs/ Mandis of the society.

Collectors will assess the requirement of **equipment** at market yards / PPCs for carrying out procurement operations. The orders for these shall be placed at the District level and funds shall be provided by the concerned RMCs. It shall be ensured that all PPCs have the necessary infrastructure in place before the starting of procurement operations.

Most PACS/societies do not have any facility for storing paddy. Each PACS is expected make arrangements to store paddy for a minimum up to three days of procurement. This is necessary to ensure proper planning on part of miller to organize adequate number of vehicles and also to ensure that PACS functionaries can concentrate on their task of procurement. Therefore, where the PACS/societies do not have storage facility, they are to plan temporary storage facility with sufficient polythene/ tarpaulin.

**7.5 Procurement by other State Agencies:** OSCSC shall procure in all districts but State Agencies other than OSCSC shall be deployed, as per necessity, in surplus districts for procurement of paddy. District Administration will earmark societies in a Block(s) to be tagged to other State agencies assigned to purchase paddy. They will thus procure through societies (exclusively earmarked for them) from the approved list finalized by the District Administration. However, **one society can procure for only one State agency i.e. either OSCSC or MARKFED or TDCC.**

Collectors may assign various days of a week during Kharif and Rabi procurement period for paddy procurement operations at different PPCs as per the number of required PPC/Mandi days so as to facilitate procurement of all marketable surplus within stipulated period of November, 2017 to April, 2018 in Kharif Season and May and June, 2018 in Rabi Season in KMS 2017-18. This will streamline procurement operations given the fact of limitation of staff and resources etc. An Action Plan may be prepared by the District Administration in this regard assigning responsibilities to RMC/PACS functionaries, purchase officers, supervising officials, mill owners, State Agencies etc. well in advance for smooth procurement operations. A **directory** containing names, designations and contact numbers of officials/ Society Level Committee Members may be made in each district and distributed to all concerned for follow-up and support.

## **7.6 Operation at mandis:**

**7.6.1 Regulating arrival of paddy at PPCs:** Registered farmers who provide their contact numbers will be intimated through SMS about the date of purchase, **at least seven days in advance**. Those registered farmers who do not provide their mobile number have to check with the society offices where a system generated schedule of delivery of paddy on each PPC/Mandi date during the season would be available. Accordingly, they will bring the stipulated quantity to the PPC on the scheduled date. This would be done so as to stop crowding at the Mandis and to assure all farmers that all their marketable surplus shall be procured by the State Agencies during the procurement period.

**7.6.2 Farmers getting paddy to PPCs:** Upon arrival of paddy at the PPC/ Mandi, society/RMC officials will conduct sample testing of paddy to see if it conforms to the FAQ norms. If it does so, paddy will be purchased and payment made by the PPC to the farmer within seven days. It may be noted that RMC would provide temporary Quality Analysts for each Mandi/ PPC for facilitating procurement during the procurement period. These Quality Analysts may be recruited on outsourcing basis and trained beforehand.

If paddy does not conform to the FAQ norm, farmer will have two options. One option for the farmer is to take back the paddy, improve its quality and bring it back on another date to the PPC for sale. Second option would be to get the quality improved at the PPC itself. For this, the PPC/ Mandi should have adequate space and facility for cleaning. They may engage WSHGs or private entrepreneurs with power cleaners to provide paddy cleaning services at each PPC. Farmers may avail this facility on payment basis.

## **7.7 Farmer Registration:**

**7.7.1** Farmer Registration would be the only process to identify the genuine farmers. Each farmer has to fill in the pre designed Registration form (for new farmers) or renewal form (for old



farmers) and submit it to her or his society by the specified timeline. These forms would be digitized by the society in their login with secured password. The paddy cultivated land details of the registered farmers shall be verified/ validated through Bhulekh web services. In respect of details which cannot be verified through Bhulekh, verification will be done by RIs concerned from their records and the same would be updated in the system.

**7.7.2 Share-croppers** (bhag-chasi) shall be allowed to sell their marketable surplus of paddy with the consent of the recorded tenant concerned. The facility for registration is already available to share croppers. For such consent, Collectors may also consider new processes like community meeting in the village. Certificates from local Sarpanch as regards share cropping may also be accepted for online registration for selling of their surplus paddy. However, before such certification Sarpanch must ascertain the fact of share cropping by holding a Palli Sabha.

Revenue and Disaster Management Department has been requested to initiate steps to put in place institutional mechanism like lease or contract farming to recognize share croppers so that they do not have to collect the consent letters of the land owners at the time of harvest in every season.

Registration of share-croppers through system of Joint Liability Groups assisted by Banks under agricultural loans will be made without insisting on consent letter.

The aim should be to bring more and more actual tillers of soil to the procurement fold.

**8. Training:** Training on procurement process, record keeping, SMS reporting, record transmission, database etc is to be imparted at Block level to PACS/society functionaries and some of the Society Level Procurement Committee (SoLPC) members. Training schedule shall include modules on the FAQ norm and use of equipment for quality check. A visit to a nearby PPC/ Mandi for hands on training may be planned in the afternoon. All trainings should be completed

in the month of October, 2017 for Western Districts and in month of November, 2017 for Southern and Coastal Districts.

OSCSC shall be the nodal agency for the purpose of training.

As the PACS/ Societies have to ensure proper maintenance of records and registers on purchase of FAQ paddy from farmers, training on maintenance of following registers/ records etc. to be imparted to society officials.

• Token Slip	• Paddy Stock Register
• Vendor Receipt	• Paddy Despatch Register
• Quality Test Report	• Millers Control Register
• Transit Pass - cum - Paddy Acceptance Note	• Paddy Purchase Register (two sets).
• Cash Book	• Paddy Rejection Register.

These would be generated from the system and no manual register would be used.

For this, District Level Master Trainers (MT) shall be trained at Revenue Divisional Level by the OSCSC .These District level MTs shall train the Block level Master Trainers who in turn shall train various functionaries at a venue at the Block level.

- 9. Paddy Procurement Automation System (P-PAS):** Paddy Procurement Automation System (P-PAS) was implemented in **sixty** high procuring Blocks of the State during KMS 2014-15 and in another 100 in KMS 2015-16. In the last KMS 2016-17, P-PAS has covered all paddy procuring Blocks (i.e. 294 Blocks) spread over throughout Odisha and the same process will be followed for the KMS 2017-18. Here, all transactions of procurement operations will be done with the help of computer through a web based application enabling, inter alia, direct transfer of MSP to the farmers' accounts and ensuring transparency and effective monitoring. The societies will have the responsibility to keep ready computers, printers & inverters for smooth operation of P-PAS.

**10. Payment of cost to farmers:**

- 10.1** State Government Agencies and Food Corporation of India (FCI) shall pay the **Minimum Support Price (MSP)** fixed by the Government for the KMS 2017-18 for the FAQ paddy procured by

them. Purchase of FAQ paddy at prices below the Minimum Support Price will be punishable under the Essential Commodities Act, 1955.

- 10.2** Payment of total cost of paddy sold is to be made to farmers **through electronic mode** within three days to the bank accounts of farmers, but not later than seven days in any case. Action is to be taken by Collectors against procuring agencies which do not make payment of the cost of paddy within the prescribed period.
- 10.3** Payment of cost of paddy at MSP shall be made to the accounts of farmers through online bank transfer from Odisha State Co-operative Bank (OSCB), Bhubaneswar on a near real time basis. In exigencies involving failure of online mechanism such payment will be made from respective DCCB by way of direct transfer of MSP dues to the farmers' accounts.

- 11. IEC activities:** The District Administration shall initiate various IEC activities for creating awareness about FAQ norms of paddy and the Minimum Support Price (MSP). Agriculture and F.E Department, Food Supplies and Consumer Welfare Department and Cooperation Department officials in the District will jointly be involved in this exercise under the leadership of Collector of the district. Regulated Market Committees (RMCs) will provide funds for this activity.

Primary Agricultural Cooperative Societies (PACS), Women Self Help Groups (WSHG) and Pani Panchayats (PP) involved in paddy procurement in past years would be actively involved in this IEC campaign in their areas of operation. Electronic Media campaigns for creating awareness on FAQ and MSP shall be centrally undertaken by OSCSC and other State Agencies.

- 12. Delivery of rice by Millers and Delivery Certificate (DC) module:**

- 12.1 Assigning millers to PPC/ Mandis:** Collectors shall assign eligible Rice Mills to PPC/ Mandi taking into consideration milling capacity, storage capacity, its distance from the PPC, past performance, amount of security deposit etc. and the surplus paddy available at the PPC/ Mandi. The tagging of mills to PPCs shall be done in such a manner that minimum expenditure is incurred on transportation.

Every Miller shall register his/her Rice Mill **online** in the website of the department **www.foododisha.in** and get it verified and updated through CSO cum DM of his/her district in the database. Those millers that had registered online in KMS 2016-17 may update those fields where there has been any change during past year. Online Registration of rice mills is a pre-requisite for participation in the procurement operations of KMS 2017-18. 15<sup>th</sup> October 2017 would be last date for registration / updation by the millers.

**12.2 Agreement with Millers:** No rice miller who is yet to complete the delivery of CMR of last KMS or has any outstanding dues to be paid to a State Agency on account of CMR delivery of any previous procurement season shall be allowed to participate in the procurement operation in KMS 2017-18. Rice millers shall sign an agreement with the State Agencies and undertake custom milling of paddy procured by them as per the agreed terms and conditions and at the rates and norms framed by the Government of India. After signing of agreement, the mill will be engaged in procurement operations by tagging it to PPCs/ Mandis for paddy procurement and RRCs for delivery of custom milled rice. These would be updated in the system at the District level. The miller or his/her representative shall remain present on the procurement days at the PPCs/ Mandis and shall ensure lifting of the paddy on regular basis to avoid stockpiling of paddy at PPCs.

**12.3 Concurrent receipt of paddy & milling thereof by Custom Miller:** The Custom millers shall ensure that receipt of paddy and milling thereof go on as a concurrent exercise and they shall deliver CMR from the first month of receipt of paddy and months thereafter as per ratio to be fixed by the State agency taking into consideration their milling capacity. In no case paddy shall remain unmilled beyond period agreed upon between the miller and the State agency and violation of agreed conditions by the miller shall

be a disqualification for further participation in procurement operations.

**12.4 Authorized Officer:** There shall be an **Authorized Officer** who will be in charge of the rice mill. The Authorized Officer shall be appointed by Collector from Civil Supplies executive staff. The Authorized officer shall be responsible for the joint custody and maintenance of paddy on behalf of OSCSC and for periodical verification of same on the premises of the rice mill. The Authorised Officer shall verify the paddy purchase, paddy receipt, CMR milling, CMR delivery by the Miller at specified periodic intervals (usually every week or every fortnight) and submit a **Verification Report** to the CSO-cum-DM of the district on being satisfied that the **CMR** has actually been produced from the paddy received from the State Agencies.

**12.5 Delivery Certificate (DC) Module:** On the basis of the Verification Report (VR) made by the Authorized Officer in-charge of the mill, the Delivery Certificate (DC) shall be issued by the CSO cum DM to the Miller for delivering CMR to designated depots of OSCSC or FCI from the web based DC Module.

**Custom Milled Rice (CMR)** of the State agencies will be delivered to FCI/ OSCSC on basis of **Delivery Certificate (DC)** issued by the district representative of the State agency basing on the Verification report of the Authorised officer of the mill. The Authorized Officer in charge of the mill shall verify the paddy stocks received from State agencies and submit the verification report to the district representative of the State agencies for issue of Delivery Certificate.

In case of paddy procured directly by the FCI from farmers, without any intermediary agency, the Delivery Certificate will be issued by the Area Managers of the FCI.

**12.6 Energy Bill verification:** The electricity/ energy bills of the mill shall be checked by the Authorized Officer in every visit to assess whether the mills have actually produced the specified quantities and varieties of rice during the period. The bills should be cross

checked with the electricity utility authorities to determine their genuineness on regular basis.

**13. Supervision and monitoring:**

- 13.1** The Collector of the district shall make a fortnightly review of the paddy purchased, paddy delivered to custom millers and CMR received from the custom millers by OSCSC/FCI. S/he will take necessary action wherever required under intimation to FS and CW Department.
- 13.2** The Collector shall draw up a plan for detailed verification through Revenue Officers of at least 20% of the farmers who have sold more than 200 quintals of paddy at PPCs during the KMS 2017-18 and send a report if there is any discrepancy/ problem in such procurement.
- 13.3** The Collector and the procuring agencies shall finalize the procurement programme as early as possible to ensure timely lifting of paddy arriving at PPCs/ Market Yards and make arrangements for payment of farmers' dues in time.
- 13.4** The Collector shall convene District level Procurement Committee (DLPC) Meetings at regular intervals apart from the mandatory pre-season meetings in Oct/Nov, 2017(for Kharif) and April, 2018(for Rabi) for smooth procurement operations.
- 13.5** A control room shall be set up at district headquarters of major procuring districts (which have procured more than **100000 MT** of paddy in KMS 2016-17) during procurement period in the District. The control room shall have a land line/mobile which should be well publicized in print media and at PPCs/ Mandis. A computer with internet facility may be given to follow up the calls regarding mobile reporting of procurement. Daily procurement of paddy at the PPCs/ Mandis and lifting by miller agents shall be monitored closely. In case of slow lifting by millers, Collectors should take necessary action to ensure lifting of paddy from PPCs by the designated miller agents. The State agencies and the societies shall submit daily procurement reports through SMS under m-Gov application

**13.6** The Collector shall appoint senior officers as **Nodal Officers** for each Block to ensure that farmers do not face any difficulty in selling their FAQ paddy and getting the MSP. A **team of officers** of Departments concerned for each Subdivision under Sub Collector shall be constituted to make random checks at PPCs/Mills/Banks during procurement period to ensure implementation of the policy. Any case of non-payment of MSP for FAQ paddy shall be brought to the notice of the Collector of the district for taking action as per law against agency/society concerned.

**13.7** The Collector of the district would be personally responsible for monitoring procurement, ensuring payment of Minimum Support Price to farmers for FAQ paddy and preventing recycling of subsidized PDS rice and avoiding distress sale of paddy. S/he is authorised to take appropriate action to achieve these objectives.

**14. Miscellaneous Matters:**

**14.1 Agreement of agencies with procuring societies:** To streamline paddy procurement through societies, OSCSC/ other State agencies shall make an agreement with such societies to engage them as their Commission Agents.

**14.2 Agreement of OSCSC with DSWO / Executive Engineer in charge of Pani Panchayats:** OSCSC/ other State Agencies shall enter into agreement with DSWO and Executive Engineer in charge of Pani Panchayats in case paddy is procured through WSHG and Pani Panchayats respectively. All payments for purchase of paddy, commission to societies etc. shall be routed through these nodal officers.

**14.3 Inadequate number of Rice Mills in a District:** In case of districts where adequate number of rice mills are not available, the Odisha State Civil Supplies Corporation (OSCSC) may assign millers from other nearby districts with surplus capacity. However, one custom miller shall not participate in more than two revenue districts including the district where rice mill is located. Decision on

cross district millers should be finalized at least 15 days before the start of the procurement operations in a district.

**14.4 Uncertified Boilers:** Millers having uncertified crude boilers shall not be allowed to undertake procurement and processing of paddy into parboiled rice with such uncertified boilers. However, such mills may be allowed to process and deliver raw rice.

**14.5 Certificate from State Pollution Control Board:** All mills which need certificate from State Pollution Control Board would arrange to get/ renew it well in time before start of the milling operation in KMS 2017-18.

**14.6 Trading in rice and paddy:** As per the Removal of (Licensing requirements, Stock limits and Movement Restrictions) on Specified Foodstuffs Order, 2002 issued by Government of India, any dealer may freely buy, stock, sell, transport, dispose, acquire, use or consume any quantity of paddy/rice and shall not require a permit or a license thereof under any order issued under the *Essential Commodities Act, 1955*.

However, appropriate safeguards should be taken to ensure the payment of Minimum Support Price to farmers by dealers at the time of purchase and appropriate supporting documents for payment of market fees and any statutory dues should be kept on record and produced on demand by competent authorities if the paddy stock is moving out of State.

**14.7 RMCs to organize auction of superior quality paddy:** Each of the RMCs located in top five procuring districts of Bargarh, Kalahandi, Sonapur, Sambalpur and Ganjam shall make arrangements for conducting auction of superior quality of paddy in at least one of its Market Yards with special arrangements so that farmers who wish to get their paddy auctioned over and above the MSP provided by Government can participate in the auction. The authorized millers, traders and other agencies may participate to procure such superior quality of paddy after auction at these designated Market Yards. The names of such market yards should



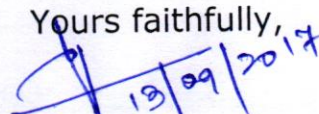
be intimated by the concerned RMCs to FS&CW Department by 31<sup>st</sup> October, 2017 for making wide publicity of same.

**14.8 Procurement of packaging materials for custom milled rice:**

For packing of custom milled rice, the procuring agencies shall procure new gunnies of BIS prescribed specifications from DGS &D/ Jute Commissioner (JC). In case of delays/short supply by DGS &D/ JC to meet the requirement of packaging during that period, agencies shall make alternative arrangements for availability of new gunny bags by way of supply by the custom millers at the rates fixed by Government of India. The procuring agencies shall make all necessary arrangements for getting supply of new gunnies from DGS &D/ JC in time.

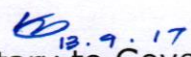
**14.9 Authority of FS&CW Department:** The Government in Food Supplies and Consumer Welfare Department shall have the power to prescribe operational guidelines and to issue clarifications, as and when required, to achieve the objectives of this Policy for the KMS 2017-18. These guidelines and clarifications shall be final and binding on all authorities/ agencies procuring paddy, delivering CMR and overseeing such activities and all processes connected therewith.

You are therefore requested to implement the Food and Procurement Policy scrupulously. The district administration should make all out efforts to prevent distress sale of paddy and ensure timely payment of Minimum Support Price (MSP) to the farmers.

Yours faithfully,  
  
Principal Secretary to Government


Memo No. 18301 Dated 13.9.2017.

Copy along with copy of enclosures forwarded to PS to Chief Minister/ PS to Minister, Food Supplies & Consumer Welfare for kind information of Hon'ble Chief Minister and Hon'ble Minister.

  
Joint Secretary to Government

Memo No. **18302** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to OSD to Chief Secretary/ PS to Member, Board of Revenue, Cuttack/ PS to D.C.-cum-A.C.S/ PS to Agriculture Production Commissioner/PS to Chief Administrator, KBK districts for kind information of Chief Secretary/ Member, Board of Revenue / D.C.-cum-A.C.S./ Agriculture Production Commissioner/ Chief Administrator.

  
13.9.17  
Joint Secretary to Government


Memo No. **18303** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to Director General and Inspector General, Police, Odisha/ Director-cum-Additional D.G. of Police, Vigilance, Odisha, Cuttack for kind information.

  
13.9.17  
Joint Secretary to Government


Memo No. **18304** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to the Principal Secretary to Govt., Agriculture & FE Department/ Principal Secretary to Govt., Co-operation Department/ Principal Secretary to Govt., R&DM Department/ Principal Secretary to Govt., Water Resources Department/ Commissioner-cum-Secretary, Women & Child Development Department/Commissioner-cum-Secretary to Govt., Panchayati Raj & DW Department/ Commissioner-cum-Secretary, Parliamentary Affairs Department for kind information and necessary action.

  
13.9.17  
Joint Secretary to Government

Memo No. **18305** Dated **13.9.2017**.

Copy along with copy of enclosure forwarded to the Under Secretary, Government of India, Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, Krishi Bhawan, New Delhi for information.

  
13.9.17  
Joint Secretary to Government


Memo No. **18306** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to all Revenue Divisional Commissioners for kind information and necessary action.

  
13.9.17  
Joint Secretary to Government

Memo No. **18307** Dated **13.9.2017**.


Copy along with copy of enclosures forwarded to General Manager, Food Corporation of India, Vani Vihar, Bhubaneswar for information and necessary action.

  
13.9.17  
Joint Secretary to Government

Memo No. **18308** Dated **13.9.2017**.


Copy along with copy of enclosures forward to Managing Director, OSCSC Ltd., Bhubaneswar/ Registrar, Co-operative Societies, Odisha, Bhubaneswar/ M.D.,TDCC, Bhubaneswar/ M.D., MARKFED, Bhubaneswar /

Director, Agricultural Marketing / Member-Secretary, OSAM Board, Bhubaneswar/ Director, Agriculture and Food Production, Odisha, Bhubaneswar for information and necessary action.

  
13.9.17  
Joint Secretary to Government


Memo No. **18309** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to all officers of FS&CW Department for information and necessary action.

  
13.9.17  
Joint Secretary to Government


Memo No. **18310** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to the Registrar, Odisha Information Commission, Toshali Plaza, Bhubaneswar for information and necessary action.

  
13.9.17  
Joint Secretary to Government


Memo No. **18311** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to the Secretary, All Odisha Rice Millers Association, S-3/36, Sec-A, Zone-B, Mancheswar Industrial Estate, Bhubaneswar for information.

  
13.9.17  
Joint Secretary to Government


Memo No. **18312** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to Sri A.N. Prusty, ASO, FS&CW Deptt. for information and necessary action. He is instructed to upload the Food and Procurement Policy for KMS 2017-18 in Department website.

  
13.9.17  
Joint Secretary to Government


Memo No. **18313** Dated **13.9.2017**.

Copy along with copy of enclosures forwarded to Project Manager, CSM Technologies, Bhubaneswar (P-PAS Technical Support Team) for information and necessary action.

  
13.9.17  
Joint Secretary to Government

Memo No. **18314** Dated **13.9.2017**.

50 (Fifty) spare copies for Guard file.

  
13.9.17  
Joint Secretary to Government

**Annexure-I**

The procuring agencies who has a designated place of business and minimum infrastructure facility as noted below will be given first priority.

1. Sufficient godown facility
2. Road for transportation
3. Weighing scale (Both electronic and manual)
4. Sample divider
5. Analysis kit
6. Set of sleeves
7. Parkhi
8. Sample collecting pan
9. Moisture meter
10. Mini grader / paddy cleaner
11. Polythene bag
12. Tarpaulin/ Polythene sheet
13. Waiting space
14. Drinking water facility
15. Toilet facility