

No. 192(19)/2018-FC A/Cs
Government of India
Ministry of Consumer Affairs, Food and Public distribution
Department of Food and Public Distribution

KrishiBhawan, New Delhi
Dated: 3 December, 2018

To,
The Secretary,
Food & Civil Supplies Department,
Government of Odisha,
Bhubaneswar

Subject: Fixation of the **Provisional** rates of **Custom Milled Rice (CMR) (FAQ)** and cost of new 50 kg. Gunny Bags used by the Government of **Odisha** and its agencies for the procurement of Custom Milled Rice (FAQ) for the Central Pool and for DCP scheme during the Kharif Marketing Season **2018-19**.

Sir,

I am directed to convey the approval of the Government of India for payment of the following **provisional** rates of Custom Milled Rice (CMR) (FAQ) and the economic cost for the Central Pool and DCP scheme under the price support operation to the Government of **Odisha** and its agencies during the Kharif Marketing Season **2018-19**.

For Central Pool Operations:

(i) Incidentals for the stocks of CMR, which are handed over to the Food Corporation of India for the Central Pool (item wise details of procurement incidentals are enclosed at Annexure-I):

<u>Commodity</u>	<u>(Rs./qtl)</u> <u>Common</u>
Raw-rice	2940.23
Par-boiled rice	2887.13

(For central pool stocks for transportation of paddy from purchase centres/ mandis to mills and for rice from mills to storage godowns, transportation charges from 0 Km onwards will be payable based on the rates fixed by the District Collectors of the State or FCI's rate whichever is lower.)

For DCP Operation

(ii) Economic Cost for the stocks of CMR retained by the State Government for distribution under the scheme of decentralized procurement operation (Item wise details of the economic cost are enclosed at Annexure-II):

<u>Commodity</u>	<u>(Rs./qtl.)</u> <u>Common</u>
Raw-rice	3231.64
Par-boiled rice	3175.37

Note:

- (i) This costing is for procurement of paddy/ CMR as per the policy of usage charges for packaging of procured paddy.
- (ii) Transportation charges allowed in the provisional cost sheet (Annexure-II) for distribution stage are only for transportation of rice from storage point to designated depots. For transportation of rice from designated depots to FPS, transportation charges will be regulated as per gazette notification dated 17.08.2015 regarding Central Assistance to States/UTs for meeting the expenditure on intra-State movement and handling of food grains and FPS dealers margin under Section 22(4)(d) of the NFSA Act, 2013.

2. The payment of commission to Societies will be subject to the conditions laid vide this Deptt.'s Order no. 192(4)/2003-FC A/Cs (Vol.II) dated 26.07.2013.

3. Milling charges are allowed @ Rs. 10 per qtl. for raw and Rs. 20 per qtl. for par-boiled rice along with payment of transportation charges from 0 km onwards for transportation of paddy/rice and from purchase center to mill and from mill to FCI godowns.

4. The Custom Milled Rice would be delivered by the procuring agencies to FCI, in new 50 kg bags only, in its local godowns upto the scale point and the stacking in the FCI godown will be done by FCI.

5. The rate/cost of Custom Milled Rice (CMR) and other elements as indicated above are provisional. The State Government should send its claims for final incidentals along with accounts audited by the auditors appointed by the Comptroller and Auditor General and documentary proof, as well as detailed justification for each item at the earliest after the end of the season and in any case not later than 12 months from the end of the financial year in which the season has ended.

6. To ensure proper utilization of funds/subsidy being released by the Government of India, the FCI may insist on requisite certificates from the State Government and its agencies for previous financial year before release of incidentals on account of statutory charges i.e. Market Fee etc. as per past practice.

7. These provisional rates/cost sheets are only for paddy/CMR procured by the State agencies/FCI and not for any other party acting either on behalf of such State agency or the FCI. These rates would not be benchmarked to fix rate for such parties.

8. State Government is requested to ensure compliance of PFMS instructions issued by MoF from time to time.

9. This issues with the concurrence of IFD vide file no.192(19)/2018 and AS&FA dated 29.11.2018

Yours faithfully,



(Abhay Kumar)

Under Secretary to the Government of India

Tele: (011) 23073798

Copy to:

1. The Executive Director (Procurement), FCI, 16-20, Barakhamba Lane, New Delhi-110001
2. The Executive Director (Finance), FCI, 16-20, Barakhamba Lane, New Delhi-110001.
3. The SRM, FCI Regional Office, Odisha Satsangh Vihar Vani Vihar, Bhubaneswar,
4. The Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10 Bahadur Shah Zaffar Marg, New Delhi – 110002.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, North Zone, 2nd Floor, Khadya Sadan, 16-20, Barakhamba Lane, New Delhi-110001
6. PS to Principal Adviser (Cost)/Director (Fc A/Cs) /Director (Cost)/US (Finance-I)
7. PS to JS(P&FCI)
8. Guard File.

No. 192 (19)/2018-FC A/Cs

Government of India

Department of Food and Public Distribution

Revised Provisional Rates of Custom Milled Rice procured under (FAQ) specification delivered to the Central Pool during the Kharif Marketing Season 2018-19 in respect of Government of Odisha and its agencies

(Rs./qtl)

S. No.	Item of incidentals	Raw Rice	Par-boiled Rice
		Common	Common
1	Minimum Support Price (MSP)	1750.00	1750.00
2.	Statutory charges		
	(i) Market Fee 2% of MSP		
3	Mandi Labour Charges (Handling Charges) ^	35.00	35.00
4	Drriage @1% of MSP	8.47	8.47
5	Commission to Societies (subject to the condition that the job of Arhatiya are performed by the Societies) ~	17.50	--
6	Custody & Maintenance Charges @Rs.2.40 per qtl. per month for 2 months !! \$	31.25	31.25
7	Interest Charges for 2 months @ 9% p.a. on MSP, Statutory Charges and Mandi labour charges !! #	--	--
8	Milling Charges excluding transportation charges upto 0-8 kms on each side from mandi to mill for paddy and mill to depot for rice.	26.90	26.90
9	Administration charges @ 1% of MSP for central pool stocks only	10.00	20.00
10	Cost of 1 qtl. of milled paddy	17.50	17.50
11	Out turn ratio	1896.62	1889.12
12	Sub-Total	67%	68%
13	Cost of new gunny bags \$\$	2830.78	2778.12
14	Usage charges for packaging of paddy **	94.96	94.96
15	Cost of 1 qtl. Of rice	14.49	14.05
		2940.23	2887.13

~ Commission to Societies is payable subject to the conditions laid down vide letter no 192(4)/2003-FC a/csVol- 2 dated 26.07.2013.

^ Subject to conditions laid down vide this Department's letter No. 192(12)/2016- FC A/Cs dated 21.09.2016. Mandi labour charges do not include any charges like charges for de-stacking etc.

!! Custody and Maintenance charges and interest charges are payable subject to the conditions laid down vide letter no 192(4)/2003-FC a/csVol- 3 dated 05.11.2015 and 12.01.2015.

\$ Payment of Custody and maintenance charges would be regulated as per order issued by this Department vide letters dated 21.11.2014, 26.12.2014 and 04.09.2015 in regard to joint custody of paddy with millers.

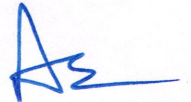
Interest is allowed provisionally on MSP, Market fee and mandilabour charges.

\$\$ Includes branding charges, safety stitch cess, inspection charges, development charges, terminal charge, railway freight, sales tax @2% upto June'17 and applicable GST from July'17 onwards.

** Payment of Usage charges would be regulated as per order issued by this Department vide letter No. 15(8)/2004-Py.III (Pt.) dated 05.10.2017, which inter alia stipulates that:-

(a) The said usage charges shall be admissible subject to condition that the state's principal/food secretary or M.D of state agency shall certify that for filling of paddy, the old bags arranged by the state/miller is being used only once after purchase. State shall also provide necessary supporting documents/certifications of gunny accounts.

Dated: 3/12/18



(Abhay Kumar)

Under Secretary to the Government of India

Revised Provisional Rates of Custom Milled Rice procured under (FAQ) specification retained for distribution under the decentralised procurement operations during the Kharif Marketing Season 2018-19 in respect of Government of Odisha and its agencies

(Rs./qtl)

S. No.	Item of incidentals	Raw Rice	Par-boiled Rice
		Common	Common
1	Minimum Support Price (MSP)	1750.00	1750.00
2	Statutory charges		
	(i)Market Fee 2% of MSP	35.00	35.00
3	Mandi Labour Charges (Handling Charges) ^	8.47	8.47
4	Transportation charges for transportation of paddy from purchase centre to temporary storage point to mills from 0 km.	23.38	23.38
5	Driage @1% of MSP	17.50	--
6	Commission to Societies (subject to the condition that the job of Arhatiya are performed by the Societies) ~	31.25	31.25
7	Custody & Maintenance Charges	--	--
8.	Interest Charges for 3 months @ 9% p.a. on MSP, Statutory and Mandi labour charges !! #	40.35	40.35
9	Milling Charges excluding transportation charges upto 0-8 kms on each side from mandi to mill for paddy and mill to depot for rice.	10.00	20.00
10	Administration charges @ 1% of MSP	17.50	17.50
11	Cost of 1 qtl. of milled paddy	1933.45	1925.95
12	Out turn ratio	67%	68%
13	Sub-Total	2885.75	2832.28
14	Handling and Transportation charges of rice from 0 kms from millers godowns to storage point	21.70	21.70
15	Cost of new gunny bags \$\$	94.96	94.96
16	Usage charges for packaging of paddy **	14.49	14.05
17	Acquisition Cost of 1 qtl. Of rice	3016.90	2962.99

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^ Subject to conditions laid down vide this Department's letter No. 192(12)/2016- FC A/Cs dated 21.09.2016.Mandi labour charges do not include any charges like charges for de-stacking etc.

!! Custody and Maintenance charges and interest charges are payable subject to the conditions laid down vide letter no 192(4)/2003-FC a/csVol- 3 dated 05.11.2015 and 12.01.2015.

\$ Payment ofCustody and maintenance charges would be regulated as per order issued by this Department vide letters dated 21.11.2014, 26.12.2014 and 04.09.2015 in regard to joint custody of paddy with millers.

Interest is allowed provisionally on MSP, Market fee and mandilabour charges.

\$\$ Includes branding charges, safety stitch cess, inspection charges, development charges, terminal charge, railway freight, sales tax @2% upto June'17 and applicable GST from July'17 onwards.

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(a) The said usage charges shall be admissible subject to condition that the state's principal/food secretary or M.D of state agency shall certify that for filling of paddy, the old bags arranged by the state/miller is being used only once after purchase. State shall also provide necessary supporting documents/certifications of gunny accounts.

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(Rs./qtl)

S. No.	Item of incidentals	Raw Rice	Par-boiled Rice
		Common	Common
A. ACQUISITION COST			
1	Cost of CMR	3016.90	2962.99
B. DISTRIBUTION COST			
2	Storage charges @ Rs.8.30 per qtl. per month for 3 months #	24.9	24.9
3	Transportation and Handling charges *	47.40	47.40
4	Interest Charges @ 9% p.a. for 3 months on acquisition cost minus interest.	66.97	65.76
5	Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags ,usage charges for gunny.	10.17	9.98
6	Administrative charges @ 2.5% of MSP of paddy equivalent to 1 qtl. of rice or actuals whichever is less for the quantity retained by the State Government for distribution under PDS.	65.30	64.34
7	Total Distribution Cost	214.74	212.38
C ECONOMIC COST OF CMR			
8	Acquisition cost + Distribution cost (A+B)	3231.64	3175.37

Note: The Food Secretary of the State is required to give a certificate that the CMR has been kept under covered storage.

Custody and Maintenance charges would be released on production of a certificate by the State Govt. that these charges have been incurred by it.

*The transportation charges at distribution stage is being allowed only for transportation of rice upto the designated depots. Payment of transportation charges for transportation of rice from designated depots to FPS will be regulated as per gazette notification dated 17.08.2015 regarding Central Assistance to States/UTs for meeting the expenditure on intra-State movement and handling of food grains and FPS dealers margin under Section 22(4)(d) of the NFSA Act, 2013. It is also clarified that designated depots means depots to be specified from time to time by Govt. of India for the purpose of distribution of food grains under NFSA. While submitting its claim for sanction of advance/provisional/ final subsidy state Govt. should certified that transportation charges for transportation of rice from designated depot to FPS are not claimed under food subsidy as same is being separately claimed under Central Assistance for NFSA.

Dated: 3/12/18



(Abhay Kumar)

Under Secretary to the Government of India