

BY FAX/POST

GOVERNMENT OF ODISHA  
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT

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No. 18892 / Bhubaneswar dated the 4/11/2013  
09-61-79/2013

From

**Shri Ananta Charan Nayak, O.A.S. (SAG)**  
**Additional Secretary to Govt.**

To

The General Manager, FCI, Bhubaneswar  
The Managing Director, OSCSC Ltd., Bhubaneswar  
The Managing Director, TDCC, Bhubaneswar  
The Managing Director, MARKFED, Bhubaneswar  
The Branch Manager, NAFED, Red Cross Bhawan, Bhubaneswar

Sub:

**Fixation of the provisional rates of Custom Milled Rice (CMR) (FAQ) and the Economic 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 & for DCP Scheme during the Kharif Marketing Season 2013-14.**

Sir,

I am directed to send herewith copy of letter No.192(17)/ 2012-FC.A/Cs dt.25.10.2013 of Under Secretary to Govt. of India, Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, New Delhi on the subject mentioned above for information and necessary action.

Yours faithfully,

  
Additional Secretary to Govt.

Memo No. 18893 date. 4/11/2013

Copy alongwith copy of enclosure forwarded to all Collectors/ C.S.O.s and P & L Section, F.S. & C.W. Department (10 copies) for information and necessary action.

  
Additional Secretary to Govt.

No.192 (17)/2013-FC.A/Cs.

Government of India

Ministry of Consumer Affairs, Food and Public distribution  
Department of Food and Public Distribution

Krishi Bhavan, New Delhi  
Dated the 25<sup>th</sup> October, 2013



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

Subject: Fixation of the **Provisional rates of Custom Milled Rice (CMR) (FAQ)** and the economic 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 & for DCP scheme during the Kharif Marketing Season 2013-14.

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 Central Pool & DCP Scheme** under the price support operation to the Government of Odisha and its agencies during the Kharif Marketing Season 2013-14.

#### For Central Pool Operations

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>Common</u>	<u>Grade 'A'</u>	(Rs./qtl.)
<b>Raw-rice</b>	<b>2292.29</b>	<b>2349.64</b>	
<b>Par-boiled rice</b>	<b>2255.58</b>	<b>2311.56</b>	

(For central pool stocks for transportation of paddy from purchase centres/mandi 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 Operations

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

<u>Commodity</u>	<u>Common</u>	<u>Grade 'A'</u>	(Rs./qtl.)
<b>Raw-rice</b>	<b>2523.05</b>	<b>2583.29</b>	
<b>Par-boiled Rice</b>	<b>2483.72</b>	<b>2542.56</b>	

Note:

(i) **This costing is for new gunny bags only. In case procurement of paddy is done in once used gunnies, separate orders will be issued for the same.**

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. In addition to the above, the following elements/items are also to be reimbursed to the State Government:

(i) Guarantee Fee, if it is actually paid by the agencies to the State Government for obtaining credit, would be payable on actual basis, subject to a maximum of 1/8% of MSP worked out on the estimated quantity of paddy delivered to FCI procured under Price Support Scheme (PSS) for the Central Pool. No interest on delayed payment on this account will be payable.

4. Milling charges have been allowed @Rs.10 per qtl. for raw and Rs.20 per qtl. for par-boiled rice excluding Rs.5 per qtl. as transportation charges for distances from 0-8 km from the mills on each side both for paddy as well as rice.

5. 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.

6. 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 alongwith accounts audited by the auditors appointed by the Comptroller and Auditor General and documentary proof and detailed justification for each item at the earliest after the end of the season.

7. To ensure proper utilization of funds/subsidy being released by the Government of India, the FCI may insist on previous year's requisite certificates from the State Government and its agencies before release of incidentals on account of statutory charges i.e. Market Fee, RD Cess etc.

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

9. This issues with the approval of the Integrated Finance Division vide their Dy. No. 1963/AS&FA/2013 dated 22.10.2013.

Yours faithfully,

Dated: 25.10.2013



(Sanjay 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 Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10, Bahadur Shah Zafar Marg, New Delhi – 110002.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, North Zone, 2<sup>nd</sup> Floor, Khadya Sadan, 16-20, Barakhamba Lane, New Delhi-110001.
6. Advisor (Cost)/Director (Policy)/Director (Finance)/US (Finance).
7. NIC for uploading on website.
8. Guard File.



(Sanjay Kumar)

Under Secretary to the Government of India

No.192 (17)/2013-FC.A/Cs.

**Annexure-I**

Government of India

Department of Food and Public Distribution

**Provisional Rates of Custom Milled Rice (FAQ) delivered to the Central Pool during the Kharif Marketing Season 2013-14 in respect of Govt. of Odisha and its agencies (For Central Pool Operations)**

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(Rs./qtl)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	<b>Minimum Support Price (MSP)</b>	1310.00	1345.00	1310.00	1345.00
2.	<b>Statutory charges</b>				
	(i)Market Fee 2% of MSP	26.20	26.90	26.20	26.90
	(ii)VAT @5% of MSP *	*	*	*	*
3	<b>Mandi Labour Charges (Handling Charges)</b>	9.17	9.17	9.17	9.17
4	<b>Driage @1% of MSP</b>	13.10	13.45	--	--
5	<b>Commission to Societies</b> (subject to the condition that the job of Arhatiya are performed by the Societies) \$	31.25	32.00	31.25	32.00
6	<b>Custody &amp; Maintenance Charges @Rs.2.40 per qtl. per month for 2 months #</b>	4.80	4.80	4.80	4.80
7	<b>Interest Charges</b> for 2 months @ 11.79% p.a. on MSP, Statutory Charges including notional VAT and Mandi labour charges	27.72	28.46	27.72	28.46
8	<b>Milling Charges</b> excluding transportation charges upto 8 kms on each side from mills for paddy as well as rice.	10.00	10.00	20.00	20.00
9	<b>Administration charges @ 2.5% of MSP</b> for central pool stocks only	32.75	33.63	32.75	33.63
10	<b>Cost of 1 qtl. of milled paddy</b>	<b>1464.99</b>	<b>1503.41</b>	<b>1461.89</b>	<b>1499.96</b>
11	Out turn ratio	67%	67%	68%	68%
12	<b>Sub-Total</b>	<b>2186.55</b>	<b>2243.90</b>	<b>2149.84</b>	<b>2205.82</b>
13	<b>Cost of new gunny bags</b> including internal transportation charges of Rs.1.64/qtl.	81.34	81.34	81.34	81.34
14	<b>Gunny Depreciation for new gunnies ^^</b>	24.40	24.40	24.40	24.40
15	<b>Cost of 1 qtl. Of rice</b>	<b>2292.29</b>	<b>2349.64</b>	<b>2255.58</b>	<b>2311.56</b>

\$ Subject to the condition laid down vide letter No.192(4)/2003-FC A/cs(Vol.II) dated 26.07.2013.

\$\$ For central pool stocks for transportation of 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.

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

^^ Gunny depreciation as claimed by the State Govt. Gunny depreciation provided is for procurement of paddy in new gunnies.

\*VAT will be allowed as per VAT Act at paddy as well as at rice stage as per the relevant legal provisions.

Dated: 25.10.2013



(Sanjay Kumar)

Under Secretary to the Government of India

Department of Food and Public Distribution

**Provisional Economic cost** of Custom Milled Rice (FAQ) retained for distribution under decentralised procurement (DCP) operations during the Kharif Marketing Season 2013-14 in respect of Government of **Odisha** and its agencies

(Rs./qtl)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	<b>Minimum Support Price (MSP)</b>	1310.00	1345.00	1310.00	1345.00
2	<b>Statutory charges</b>				
	<b>(i)Market Fee 2% of MSP</b>	26.20	26.90	26.20	26.90
	<b>(ii)VAT @5% of MSP *</b>	*	*	*	*
3	<b>Mandi Labour Charges</b> (Handling Charges)	9.17	9.17	9.17	9.17
4	<b>Transportation charges</b> for transportation of paddy from purchase centre to temporary storage point to mills from 0 km.	34.20	34.20	34.20	34.20
5	<b>Driage @1% of MSP</b>	13.10	13.45	--	--
6	<b>Commission to Societies</b> (subject to the condition that the job of Arhatiya are performed by the Societies) \$	31.25	32.00	31.25	32.00
7	<b>Custody &amp; Maintenance Charges @Rs.2.40 per qtl. per month for 4 months #</b>	9.60	9.60	9.60	9.60
8.	<b>Interest Charges</b> for 4 months @ 11.79% p.a. on MSP, Statutory Charges including notional VAT and Mandi labour charges	55.45	56.92	55.45	56.92
9	<b>Milling Charges</b> excluding transportation charges upto 8 kms on each side from mills for paddy as well as rice.	10.00	10.00	20.00	20.00
10	<b>Administration charges @ 1% of MSP</b>	13.10	13.45	13.10	13.45
11	<b>Cost of 1 qtl. of milled paddy</b>	<b>1512.07</b>	<b>1550.69</b>	<b>1508.97</b>	<b>1547.24</b>
12	Out turn ratio	67%	67%	68%	68%
13	<b>Sub-Total</b>	<b>2256.82</b>	<b>2314.46</b>	<b>2219.07</b>	<b>2275.35</b>
14	<b>Transportation charges</b> of rice from 0 kms from millers godowns to storage point	13.44	13.44	13.44	13.44
15	<b>Cost of new gunny bags</b> including internal transportation charges of Rs.1.64/qtl.	81.34	81.34	81.34	81.34
16	<b>Gunny Depreciation for new gunnies ^^</b>	24.40	24.40	24.40	24.40
17	<b>Acquisition Cost of 1 qtl. Of rice</b>	<b>2376.00</b>	<b>2433.64</b>	<b>2338.25</b>	<b>2394.53</b>

\$ Subject to the condition laid down vide letter No.192(4)/2003-FC A/cs(Vol.II) dated 26.07.2013.

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

^^ Gunny depreciation as claimed by the State Govt. Gunny depreciation provided is for procurement of paddy in new gunnies.

\*VAT will be allowed as per VAT Act at paddy as well as at rice stage as per the relevant legal provisions.

Dated: 25.10.2013

(Sanjay Kumar)

Under Secretary to the Government of India

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**Annexure-II (Contd.)**

No.192 (17)/2013-FC.A/Cs.

Government of India

Department of Food and Public Distribution

**Provisional Economic Cost** of Custom Milled Rice (FAQ) retained for distribution under decentralised procurement (DCP) operations during the Kharif Marketing Season 2013-14 in

respect of Government of **Odisha** and its agencies

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(Rs./qtl)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
<b>A. ACQUISITION COST</b>					
1	Cost of CMR	2376.00	2433.64	2338.25	2394.53
<b>B. DISTRIBUTION COST</b>					
2	Storage charges @ Rs.5.84 per qtl. per month for 2 months	11.68	11.68	11.68	11.68
3	Transportation and Handling charges	33.48	33.48	33.48	33.48
4	Interest Charges @ 11.79% p.a. for 2 months on acquisition cost minus interest.	45.06	46.15	44.34	45.41
5	Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags and gunny depreciation.	7.95	8.15	7.81	8.01
6	Administrative charges @ 2.5% of MSP of paddy equivalent to 1 qtl. of rice or actuals which ever is less for the quantity retained by the State Government for distribution under PDS.	48.88	50.19	48.16	49.45
7	<b>Total Distribution Cost</b>	<b>147.05</b>	<b>149.65</b>	<b>145.47</b>	<b>148.03</b>
<b>C ECONOMIC COST OF CMR</b>					
8	Acquisition cost + Distribution cost (A+B)	<b>2523.05</b>	<b>2583.29</b>	<b>2483.72</b>	<b>2542.56</b>

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.

Dated: 25.10.2013



(Sanjay Kumar)

Under Secretary to the Government of India