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Government of Odisha  
Food Supplies & Consumer Welfare Department

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No. 17630 /SFSCW, dated the 29.10.14  
09-61-62/2014

From

Sri Madhusudan Padhi, IAS  
Commissioner-cum-Secretary to Govt.

To

All Collectors.

**Sub: Implementation of CAP (cover and Plinth) Storage for Paddy in KMS 2014-15 – Instructions thereof.**

Madam/Sir,

With reference to the above subject it is a fact that the quantum of paddy procurement has grown from about 12 Lakh MT in KMS 2003-04 to 36.7 lakh MTs in KMS 2012-13 because the State has taken the responsibility of procurement under decentralised procurement (DCP) scheme from 2003-04. With becoming a DCP State, the responsibility of the State has increased manifold. The entire responsibility to manage the chain of activities of procurement operations has come to FS & CW Department with Odisha State Civil Supplies Corporation procuring over 96% of paddy. Despite upfront investment of about Rs.6000 Crores annually by OSCSC, the effective control of paddy procurement has remained with the millers because all paddy is being delivered to them with very little security.

Over last few years, the number of defaulting millers has been increasing with about 72 Millers misappropriating about Rs 150 Crores. Few officers have been arrested on the ground of misappropriation by millers and put behind bars in last few months creating lot of resentment in the field among officers of the Food Supply & Consumer Welfare Department.

In July'2014, the undersigned had visited Chhattisgarh along with Honorable Minister, Food Supply and Consumer Welfare Department to see the procurement process there which is being talked as one of the best in the country. They are storing about 50% of their procured paddy in **CAP** (cover and plinth) **storage** locations under open sky which is being managed by MARKFED. The millers are issued paddy either against advance rice delivery or against 100% security which ensures that there are no defaulting millers.

The Government in Food Supply and Consumer Welfare department have decided to have a CAP storage of **10 Lakh MTs** of paddy in Kharif Marketing Season 2014-15 to take care of the above problems of paddy procurement. The detailed guidelines are being worked upon and would be issued by Odisha State Civil Supplies Corporation in next few days. To implement the CAP storage in your District, some preparatory advance action needs to be taken at your level.

1. A miller can participate in procurement operation for Kharif Marketing Season 2014-15 **only if it has delivered 100% custom milled rice** for the paady taken in Kharif Marketing Season **2013-14**.
2. All paddy deliveries to the Millers in KMS 2014-15 is proposed to be done either on **100% security** or on **advance rice delivery** .
3. To implement above two decisions, we need to have a facility to store paddy on temporary basis. The proposed CAP storage is meant to meet this temporary storage needs. For the current season(KMS 2014-15), **OSCSC will manage the CAP storage** and MARKFED would take over the responsibility from next Kharif Marketing Season (2015-16).
4. To start with, **big Market Yards of RMCs** with boundary/fencing and office space may be earmarked for starting CAP storage from November/December 2014 so as to store the paddy procured by the societies in current KMS. CAP storage can also be done in abandoned **Krushak Bazzars** where infrastructure created in the recent past have not been put to use.

The tentative district wise target for CAP is enclosed at **Annexure-1**. An assessment of possible capacity for CAP storage for the identified RMC market yards may be made in next 3-4 days taking space required for one stack being **20 feet\* 30 feet each**. Other facilities at the yard like boundary, office space, availability of electricity and internet connectivity is to be assessed.

5. Based on the above inputs, the District Administration may assess the minimum infra needs to start the CAP storage at identified locations along with number of stacks (**20 feet\* 30 feet each**) that can be made in that location. Each stack will hold 1200 quintals of paddy (3000 bags of 40 kg each).

It is suggested that one CAP location should have capacity to store **minimum of 5000 MTs** of paddy so that dedicated manpower for same is efficiently used. A **weigh bridge** near the CAP location may be identified for conducting transactions (both receipt and issue) at CAP storage point.

6. Suitable permanent staffs either of the FS & CW Department or OSCSC Ltd. may be identified to remain in-charge of each CAP storage location independently. Supporting staffs as per the requirement can be outsourced. To start with some surplus **Procurement Inspectors/ Inspector of Supplies** may be earmarked to remain in charge of CAP locations. Other staff (DEO and Quality Analysts) may be outsourced along with security from existing service provider agency (SPA).
7. **Once used gunny bags** may be procured by the District Administration from the Fair Price Shop dealers and Millers @ Rs.8 to Rs.10 for a 50 kg gunny for supply to PACS/societies for repacking the paddy received from the farmers at the Mandi. OSCSC is placing orders on DGS&D for additional **new gunny bags** necessary for the storage of paddy in CAP locations.
8. The existing **Level- I H&T Contractors** for Public Distribution System operations in the District may be asked to shift the paddy from PACS to CAP location at the approved rates till the tender for paddy transportation & handling is finalized. These H&T contractors may be briefed in advance for arranging vehicles and manpower to lift paddy from Mandi points.
9. Black polythene CAP covers fabricated out of ISI Marked 1000 gauge Black **LDPE Film conforming to IS: 2508/1984** would be used. Odisha State Civil Supplies Corporation is initiating steps to procure CAP cover from the suppliers approved as per the technical specification of BIS
10. Custom millers will be delivered paddy from the CAP storage as per their security arrangements and progress of delivery of rice. As such CAP storage of paddy may be kept for a period of five to six months at maximum. FIFO principle shall be followed for issue of paddy from the CAP location.

11. Societies/PACS are to be instructed to **procure only FAQ paddy** from farmers and deliver same at the CAP storage point. The Quality Analyst at the CAP location would be responsible for quality check of paddy before receipt of paddy. Only FAQ of paddy shall be accepted at the CAP location. If the quality analysis at the time of receipt reveals the paddy to be **non FAQ**, the **same will be returned back** to concerned Society/PACS. The concerned Society/PACS will bear the transportation charges and will be responsible for improvement of returned stock to make it FAQ.
12. The documents to be used in transactions at CAP shall be intimated by Odisha State Civil Supplies Corporation in few days time.

In view of the urgency in the matter, you are requested to initiate immediate steps to ground the CAP storage locations before actual start of procurement in your District. Action taken in the matter may be intimated to the undersigned

Yours faithfully,

*M. S. Mohapatra*  
29/10/2014

Commissioner-cum-Secretary

FAX

Memo No. 17631 / 29.10.2014

Copy forwarded to M.D., OSCSC Ltd., Bhubaneswar/ all Civil Supplies Officer-cum-D.M. for information and necessary action.

*M. S. Mohapatra*  
29/10/2014

Commissioner-cum-Secretary

## Annexure-1

### Provisional target of CAP storage capacity for KMS 2014-15.

SI No.	District	Procurement in KMS 2013-14 in Lakh MTs	Target for creating CAP Storage in MT
1	Angul	0.41	10,000
2	Balasore	0.67	25,000
3	Bargarh	9.16	2,00,000
4	Bhadrak	1.11	35,000
5	Bolangir	2.33	40,000
6	Boudh	0.62	15,000
7	Cuttack	0.58	15,000
8	Deogarh	0.24	10,000
9	Dhenkanal	0.70	20,000
10	Gajapati	0.28	10,000
11	Ganjam	1.16	40,000
12	Jagatsinghpur	0.37	10,000
13	Jajpur	0.41	15,000
14	Jharsuguda	0.45	10,000
15	Kalahandi	4.53	1,00,000
16	Kandhamal	0.17	5000
17	Kendrapara	0.25	10,000
18	Keonjhar	0.57	15,000
19	Khurda	0.40	15,000
20	Koraput	1.98	40,000
21	Malkangiri	0.76	20,000
22	Mayurbhanj	0.59	15,000
23	Nawrangpur	1.54	35,000
24	Nayagarh	0.73	15,000
25	Nuapada	0.96	20,000
26	Puri	0.70	15,000
27	Rayagada	1.16	30,000
28	Sambalpur	2.88	70,000
29	Sonepur	3.73	80,000
30	Sundargarh	0.91	20,000
	<b>Total</b>		<b>9,60,000</b>

