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GOVERNMENT OF ODISHA
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT

No. 15266 / Bhubaneswar dated the 31/8/2018.
FSCW-PL-POL-0014-2016

From

Shri V.V. Yadav, IAS

Commissioner-cum- Secretary to Govt.

To

Secretary to Govt. of India,

Department of Food and Public Distribution,

Ministry of Consumer Affairs, Food and Public Distribution,

Govt. of India,

Krishi Bhawan, Dr. Rajendra Prasad Road,

New Delhi – 110001

Sub:- Revision of rates in PCS issued for KMS 2017-18.

Ref: *This office letter No. 14584 dated. 26.07.2018, No. 12354 dated. 20.6.18, No. 12351 dated. 20.6.2018, No.22904 dated.9.11.2017, No. 16281 dated. 17.8.2017, No.18595 dated.16.09.17 & No. 14768 dated. 26.7.2017.*

Sir,

Kindly recall the discussions in the meeting chaired by you on 16/07/2018 and attended by the officials from Punjab, MP and Odisha regarding the revision of rates in PCS. In order to facilitate decision making I am enclosing a brief note on all the issues.

Odisha State procures about 34.00 lakh MT of rice for meeting food grain needs under NFSA and other schemes in the State and of other States of the country by way of Central Pool delivery. Different items of expenditure required for such procurement are made at the rates prescribed by Govt. of India in the PCS issued for every KMS. In the ongoing KMS 2017-18 the rates of certain incidentals fixed in PCS were found abnormally low and not workable under any circumstances.

2. Transportation charges of paddy:

This rate was fixed at Rs.4.75 per qtl. for transporting paddy from purchase centers to the storage premises. The rates fixed for KMS 2016-17 was Rs.36.18 per qtl. Actual transportation charges incurred as per

Procurement Accounts submitted to Government of India for KMS 2015-16 was Rs.30.51 per qtl. of paddy in that year. Considering subsequent enhancement in transportation rates, it had been requested to allow Rs.38.27 per qtl. of paddy for KMS 2017-18, As intimated in letters under reference, the proposed rate of Rs.38.27 per qtl. is comparatively lower than the rates fixed by FCI and the rates fixed by District Collectors for transportation of food grains in the State. Hence, the transportation rates are required to be re-fixed considering the expenditure of Rs.30.51 per qtl. as per audited accounts submitted to Govt. of India for KMS 2015-16 & with normal indexation thereafter.

3. Transportation charges of CMR from Mill point to godowns of State Agency/FCI:

For the current KMS 2017-18, rate of transportation of CMR at acquisition stage is fixed at Rs.6.62 per qtl. as against Rs.38.27 per qtl. requested by State Govt. The actual transportation charges incurred for acquisition of CMR is Rs.26.92 per qtl. as per audited Procurement Accounts submitted to Government of India for KMS 2015-16. The requested rate of Rs.38.27 per qtl. is lower than rice transportation rates fixed by FCI & District Collectors in Odisha as detailed in the letter under reference. Hence, the rate of this incidental is required to be enhanced considering the actual expenditure of Rs.26.92 per qtl. in audited accounts submitted for KMS 2015-16 & indexation for subsequent years.

4. Gunny Usage Charges:

In the meeting held on 21.03.2017 at Krishi Bhawan under the chairmanship of Joint Secretary(Policy), where E.D., FCI Hqrs. was present, it was decided to allow gunny usage charges up to Rs.24/- per qtl. for KMS 2017-18. In this office letters No.16281 dated.17.08.2017, No.20112 dated.10.10.2017, it was requested to allow minimum usage charges of Rs.24/- for use of two old bags in paddy packing. Detailed justifications for such rate was communicated considering the prevalent minimum price of old bags in Odisha as intimated by District Collectors and their resale value. This was also forwarded by local FCI office in their

letter No.Proc.5(3)Proc. Policy/15-16/Vol.dt.25.7.17. But such charges were found fixed in PCS at an unworkable rate of Rs.12.30 per qtl. Hence, gunny usage charges are required to be enhanced to minimum Rs.24/- per quintal as per decisions already taken in Govt. of India meeting, recommendations made by FCI and the expenditure incurred on that account in the present KMS.

5. Administrative Charges:

Administrative charges on CMR delivered to FCI on Central Pool account were fixed at 1% of MSP in the PCS for KMS 2017-18 as against 2.5% allowed in KMS 2016-17. Government of India has allowed administrative charges @ 2.5% on MSP to other states, namely, Punjab and Chattisgarh for Central Pool delivery. The administrative charges may, therefore, be revised upwards to 2.5% of MSP for rice delivered to FCI under Central Pool account as per discussions made in the meeting on 16.07.2017.

6. Handling Charges on CMR:

At acquisition stage only transportation charges from mill points to godowns for delivery of CMR was allowed. There was no provision in PCS issued for handling expenses incurred at godown for carrying stock from scale point to the godown and stacking. The guideline on this point in the PCS reads as follows.

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

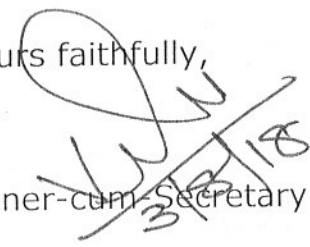
6.1 Such handling operations when CMR delivered at FCI, are carried out by the labourers of FCI. But in case of CMR retained by the State for distribution under DCP, there is no provision for handling expenses incurred for carrying and stacking of CMR inside the godown. State Govt. had proposed Rs.6/- per qtl. of rice towards handling which is the actual expenditure presently being incurred for this work. This is required to be allowed in the PCS.

7. Rates of T.C. on paddy in Central Pool PCS:-

It has been persistently requested to include rates of T.C. on paddy and rice in PCS issued for central pool delivery so that there is no delay in release of such dues by FCI. But in the PCS issued for KMS 2017-18, there is no provision for such charges for Central Pool delivery. Hence, this aspect is to be considered for inclusion of such charges in the Central Pool cost sheet.

It is, therefore, again requested to kindly take steps for revision in the rates of above incidentals for 2017-18 so that there is no disruption in smooth purchase of paddy from farmers and procurement of CMR in ensuing KMS 2018-19.

Yours faithfully,


Commissioner-cum-Secretary to Govt.

Memo No. 15267 Dated 3/8/2018

Copy to Joint Secretary(Policy, FCI) , Ministry of Consumer Affairs, Food & Public Distribution Krishi Bhawan, New Delhi for information and necessary action .

 3.8.18
Joint Secretary to Govt.


Memo No. 15268 Dated 3/8/2018

Copy to Principal Advisor (Cost), Ministry of Consumer Affairs, Food & Public Distribution Krishi Bhawan, New Delhi for information and necessary action.

 3.8.18
Joint Secretary to Govt.

Memo No. 15269 Dated 3/8/2018

Copy to E.D, FCI, Head Quarters, New Delhi for Information and necessary action.

 3.8.18
Joint Secretary to Govt.

Memo No. 15270 Dated 3/8/2018

Copy to General Manger, FCI, R.O., Bhubaneswar/ Managing Director, OSCSC Ltd., Bhubaneswar for Information and necessary action.

 3.8.18
Joint Secretary to Govt.