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BY FAX/POST

GOVERNMENT OF ODISHA  
FOOD SUPPLIES & CONSUMER WELFARE DEPARTMENT  
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No. 23487 / Bhubaneswar Dated 18/12/18  
FSCW-PL-POL-0014-2016

From  
**Shri V. V. Yadav, IAS**  
Commissioner-cum-Secretary to Govt.

To  
**The Secretary to Govt. of India,**  
Department of Food and Public Distribution,  
Ministry of Consumer Affairs, Food and Public Distribution,  
Krishi Bhavan, New Delhi

Gomay/Co

Sub: *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 procurement of Custom Milled Rice (FAQ) for the Central Pool and for DCP scheme during the Kharif Marketing Season 2018-19.*

Ref: DFPD, Government of India letter No. 192(19)/2018-FC.A/Cs Dated 03.12.2018.

Sir,

In inviting a reference to the letter and subject captioned above, I am to say that in the Provisional Cost Sheet (PCS) issued for KMS 2018-19 vide GoI letter No.192 (19)/2018- FC.A/Cs Dt.03.12.2018, the rates of procurement incidentals on the following heads are found much lower compared to actual expenditure and at the rates suggested by the State with proper justifications. Besides this, there is no provision towards custody maintenance charges in the cost sheet though in the foot note of cost sheet it is mentioned that such charges are payable as per the terms and condition laid down in the GoI letters. The items of procurement incidentals which require revision/ inclusion in the PCS of KMS 2018-19 are as under.

1. **Rates for Paddy & CMR Transportation:**

Rs.23.38 & Rs.21.70 are provided in the PCS as transportation charges of paddy and handling and transportation cost of CMR respectively as against Rs.41.00 & Rs.35.43 requested by State

Government for KMS 2018-19 considering the actual implication. It may be mentioned that in the KMS 2016-17, Rs.36.18 p.q. was provided in the PCS. As regards, transportation charges on rice it was suggested to allow Rs.35.43 p.q towards handling (Rs.6/- p.q) and transportation from mill point to godowns (Rs.29.43 p.q.). It is to bring to your kind notice that transportation charges on rice was last revised in the KMS 2012-13 and was fixed at Rs.13.44 p.q and since then there has been no revision till KMS 2017-18.

## 2. **Gunny Usage Charges:-**

Usage charges were decided to be allowed in principle from KMS 2017-18 for use of two old jute bags for packaging of paddy. Several meetings were held at DFPD to decide the rates of old jute bags suitable for packing of paddy.

- In the meeting held on 23.02.2017 under the Chairmanship of the Joint Secretary (Policy) with the ED, FCI in attendance, it was decided in principle to allow usage charges up to Rs.24/- per quintal for KMS 2017-18.
- In the meeting taken by the Union Food Secretary on 16.07.2018, this matter regarding fixation of rate of gunny usages was discussed. It was assured that State's representation would be considered.
- In the meeting further taken by the Joint Secretary (Impex) on 08.08.2017, we submitted justification for fixation of gunny usage charges at Rs.24/- per qtl. minimum for use of two old bags in paddy packing. The General Manager, FCI Odisha region also recommended the rate of Rs.24/- per qtl. as usages charges basing on the market input & release value of old bags after use.

To the contrary, disregarding the decisions taken in the aforesaid meetings, recommendation of FCI RO and the market rates, PCS of KMS 2018-19 provides for Rs.14.49 for CRR and

Rs.14.05 for PBR per qtl. In fact there is no increase in the rates in KMS 2018-19 compared to the rates of KMS 2017-18.

3. **Mandi Labour Charges:**

Mandi Labour charges were fixed at Rs.12.19 p.q. of paddy in KMS 2017-18 whereas this has been reduced to Rs.8.47 p.q. in KMS 2018-19. In the proposal submitted to GoI Rs.40.38 p.q. was requested for which was based on minimum wages rate declared by Government of Odisha vide Notification dt.03.08.2018 for different handling operations at the time of procurement of paddy at mandi. The rates allowed in the PCS are grossly inadequate to perform handling operations at the minimum wages declared.

4. **Custody & Maintenance Charges:**

No provision has been made in the PCS towards Custody & Maintenance Charges of Paddy where as Rs.9.60 p.q. was provided for in the PCS of KMS 2017-18. In this connection I am to refer to meeting taken by the Union Secretary on 16.07.2018 with different States. Justification for storage of paddy in covered was presented there requesting to allow custody and maintenance charges for keeping paddy in covered godowns. On receipt of the Cost Sheet, 2018-19 the Managing Director, Odisha State Civil Supplies Corporation has also requested the Director (FC A/Cs) vide letter No.18995 dt.11.12.2018 to provide custody & maintenance charges for 3 months @ Rs.5.03 paisa p.q. per month.

In the above backdrop, I would, therefore, request you to kindly take appropriate steps for revision of rates under different components and for inclusion of custody and maintenance charges for covered stored paddy @ Rs. 5.03 per quintal per month for the sake of smooth paddy procurement operations in Odisha.

Yours faithfully,

Commissioner-cum-Secretary to Govt.

Memo No. 73488 Dated 15/12/18

Copy forwarded to Managing Director, OSCSC Ltd., Bhuaneswar for information and necessary action.

  
15.12.18  
Joint Secretary to Govt.

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OSCSC Ltd.  
Corporate Office

**ODISHA STATE CIVIL SUPPLIES CORPORATION LTD**  
**C/2, NAYAPALLI, BHUBANESWAR-12**

File No. Acct/Comp/Doc-1/18/N No. 18995 Date 11.12.18.

From

**Saroj Kumar Samal, OAS**  
Managing Director

To

**Shri Manoj Kumar Gupta, Director (FC A/cs),**  
Ministry of Consumer Affairs, Food & Public Distribution,  
Department of Food & Public Distribution,  
Government of India, Krishi Bhawan,  
New Delhi.

**Sub: Non provision of Custody and Maintenance Charges in the Provisional Economic Costing for KMS 2018-19.**

**Ref: Letter No.192 (19)/2018-FC A/cs dt.03.12.2018.**

Sir,

The Provisional Economic Costing for the KMS 2018-19 for the State of Odisha as communicated by Govt. of India vide Letter No.192 (19)/2018-FC A/cs dt.03.12.2018 is received. On perusal of the Economic Costing it is found that no provision has been made in the PCS under the Head of Custody & Maintenance Charges, although payment under the head has been qualified with stipulations in the foot note of PCS. In Odisha paddy is lifted by the custom miller from mandi and directly stored on mills premises under Joint Custody of custom miller and authorized officer of Corporation/ Government. There is no intermediate storage of paddy before it is a delivered to the millers. In the proposal for fixation of the rates of procurement incidentals of custom milled rice for KMS 2018-19 submitted by the State Govt., it was proposed to allow Custody & Maintenance Charges @ Rs.5.03 p.q. of paddy for 3 months i.e. Rs.15.06 p.q. for Covered storage of paddy. This is the rate at which OSCSC is making payment to FCI for godowns taken on hire. In the explanatory notes to the proposal it was also mentioned to allow @ Rs.3.20 p.q. of paddy, in case of storage of paddy in CAP Cover.

P.T.O.

This is further to state that this matter was also in the agenda of discussion in the meeting dt.16.07.2018 taken by the Secretary, Ministry of Consumer Affairs, Food & Public Distribution, New Delhi. In the said meeting Commissioner-cum-Secretary, FS & CW Deptt., Govt. of Odisha had emphasized to allow Custody & Maintenance Charges for paddy stored in covered godowns in view of the frequency of Natural Calamity.

I would therefore request to provide for Custody & Maintenance charges in the Provisional Economic Costing for 3 months as suggested in our proposal for fixation of PCS for KMS 2018-19. The Corporation has already executed agreements with the custom millers for storage of paddy under Joint Custody for the Paddy Procurement Operation in the KMS 2018-19.

Yours faithfully,

  
Managing Director

Memo No. 18996 Date 11.12.18.

Copy submitted to the Commissioner-cum-Secretary, FS & CW Deptt., Govt. of Odisha, Bhubaneswar for kind information.

  
Managing Director