

Proposed Provisional Costing Sheet of CMR procured under (FAQ) Specifications Retained for Distribution under Decentralised Procurement Operation during the KMS 2020-21 in respect of Govt. of Odisha and its Agencies (Rs./qtl.)

Sl. No.	Items incidentals	Proposed Cost sheet for KMS 2019-20		PCS for KMS 2019-20		Proposed Cost sheet for KMS 2020-21	
		Raw	Parboiled	Raw	Parboiled	Raw	Parboiled
1	Minimum Support Price (MSP)	1815.00	1815.00	1815.00	1815.00	1868.00	1868.00
2	Statutory Charges						
	Market Fees @ 2% of MSP	36.30	36.30	36.30	36.30	37.36	37.36
3	Mandi Labour Charges (Handling charges)	40.38	40.38	8.67	8.67	40.38	40.38
4	Transportation charges for transportation of paddy from purchase centre to temporary storage point to mills from 0 KMs	41.35	41.35	-	-	42.36	42.36
5	Driage @ 1% of MSP	18.15	0.00	18.15	0.00	18.68	0.00
6	Commission to Society (subject to the condition that the job of Arhatia are performed by the Societies)	31.25	31.25	31.25	31.25	31.25	31.25
7	Custody & Maintenance Charges for 3 months covered storage.	17.34	17.34	-	-	20.52	20.52
8	Interest charges for 3 months @ 9%	44.20	44.20	41.85	41.85	45.44	45.44
9	Milling charges excluding transportation charges upto 8 KMs on each side from mills for paddy as well as rice. GST @ 5% is included.	10.50	21.00	10.00	20.00	10.50	21.00
10	Administrative charges @ 1% of MSP.	18.15	18.15	18.15	18.15	18.68	18.68
11	Cost of one quintal paddy	2072.62	2064.97	1979.37	1971.22	2133.17	2124.99
12	Out turn ratio (in %)	67	68	67	68	67	68
13	sub total	3093.46	3036.72	2954.28	2898.85	3183.84	3124.99
14	Transportation & handling charges of rice from 0 KMs from Mills godowns to storage godown	38.53	38.53	-	-	40.61	40.61
15	a) Cost of new gunny bags including internal transportaion	104.62	104.62	104.62	104.62	117.52	117.52
	b) Cost of used gunny bags including internal transportaion for packing of CMR	-	-	-	-	-	-
16	Gunny usage charges including GST @ 5%	27.46	27.46	14.49	14.05	31.68	30.72
17	Acquisition Cost of one qtl. of rice	3264.07	3207.33	3073.39	3017.52	3373.65	3313.84

Sl. No.	Items	Proposed Cost sheet for KMS 2019-20		PCS for KMS 2019-20		Proposed Cost sheet for KMS 2020-21	
A. ACQUISITION COST OF CMR		3264.07	3207.33	3073.39	3017.52	3373.65	3313.84
B. DISTRIBUTION COST							
1	Storage charges @ Rs.10.78 per quintal per month for 3 months	28.08	28.08	28.08	28.08	32.34	32.34
2	Handling & transportation charges	49.97	49.97	10.87	10.87	52.26	52.26
3	Interest charges @ 9% for 3 months on acquisition cost less interest.	72.45	71.17	67.74	66.51	74.38	73.05
4	Insurance charges on Rice	1.40	1.40	Not provided	Not provided	1.40	1.40
5	Transit & storage loss @0.35% of acquisition cost excluding cost of gunny bags & gunny depreciation.	10.96	10.76	10.34	10.15	11.28	11.08
6	Administrative charges @ 2.5% of MSP of paddy equivalent to 1 qtl. of rice .	67.72	66.73	67.72	66.73	69.70	68.68
7	Total Distribution cost - B	230.58	228.11	184.75	182.34	241.36	238.81
ECONOMIC COST (Total Acquisition cost + Distribution cost) (A+B)		3494.65	3435.44	3258.14	3199.86	3615.01	3552.65

* Explanatory Notes and justification for each incidentals is attached.

** Custody & Maintenance Charges has been proposed in the PCS for covered storage. In case of storage of paddy in CAP Cover the rate proposed is Rs.3.20 p.q. per month on indexing the rate of KMS 2013-14 to KMS 2018-19.

** National Highway Authority collect Road Toll Fees. About 10% of paddy and CMR is subject to such Toll fees while movement of paddy from mandi to mills and on movement of CMR by millers/ Transport Contractors across districts. Reimbursement of Toll fees may be allowed on actual basis.

*** Transportation & handling charges on Paddy, CMR both at acquisition & distribution should be included in the PCS. State agencies are on this account if not provided in Provisional Cost Sheet. The rates may be finalised at the time of issue of Final Costing Sheet, by way of Provisional Subsidy as per guidelines of GoI.

Proposed Provisional Economic Costing Sheet of CMR Retained for Central Pool for the KMS 2020-21 (FAQ)
for Common Variety (Rs./qtl.)

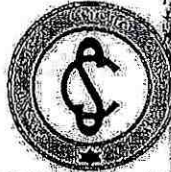
Sl. No.	Items incidentals	proposed cost sheet by GoO for KMS 2019-20		PCS for KMS 2019-20		Proposed Cost sheet for KMS 2020-21	
		Raw	Parboiled	Raw	Parboiled	Raw	Parboiled
1	Minimum Support Price (MSP)	1815.00	1815.00	1815.00	1815.00	1868.00	1868.00
2	Statutory Charges						
	Market Fees @ 2% of MSP	36.30	36.30	36.30	36.30	37.36	37.36
3	Mandi Labour Charges (Handling charges)	40.38	40.38	8.67	8.67	40.38	40.38
4	Transportation charges for transportation of paddy from purchase centre to temporary storage point to mills from 0 KMs	41.35	41.35			42.36	42.36
5	Driage @ 1% of MSP	18.15	0.00	18.15	0.00	18.68	0.00
6	Commission to Society (subject to the condition that the job of Arhatia are performed by the Societies)	31.25	31.25	31.25	31.25	31.25	31.25
7	Custody & Maintenance Charges for 3 months covered storage	17.34	17.34			20.52	20.52
8	Interest charges for 2 months @ 9%	44.20	44.20	41.85	41.85	45.44	45.44
9	Milling charges excluding transportation charges upto 8 KMs on each side from mills for paddy as well as rice. GST @ 5% is included.	10.50	21.00	10.00	20.00	10.50	21.00
10	Administrative charges @ 2.5% of MSP	45.38	45.38	18.15	18.15	46.70	46.70
11	Cost of one quintal paddy	2099.85	2092.20	1979.37	1971.22	2161.19	2153.01
12	Out turn ratio (in %)	67	68	67	68	67	68
13	Sub total	3134.10	3076.76	2954.28	2898.85	3178.22	3166.19
14	Cost of new gunny bags including internal transportaion Rs.1.06 per quintal respectively	104.62	104.62	104.62	104.62	117.52	117.52
15	Gunny usage charges including GST @ 5%	27.46	27.46	14.49	14.05	31.68	30.72
16	Cost of one qtl. of rice	3266.18	3208.84	3073.39	3017.52	3327.42	3314.43

Annexure-I

CALCULATION SHEET FOR MANDI LABOUR CHARGES

Sl. No.	Items	Per 75 Kg (2 bags)	For 3 bags
1	Heaping and rebagging of paddy	4.89	7.34
2	Weighing	4.08	6.12
3	Sewing	4.08	6.12
4	Temp Stacking	4.08	6.12
5	Carrying	4.08	6.12
6	Loading	5.71	8.57
	Total	26.92	40.38

FAX	EMAIL	WEB	SSS
RP	SP	OP	LOCAL



Annexure-II

ODISHA STATE CIVIL SUPPLIES CORPORATION LTD.,

C/2, NAYAPALLI, BHUBANESWAR-12.

Stg.-I-18/2020 No. 6740 / Date 18.5.2020

Email: mdoscsc@gmail.com

From

Biswajit Keshari Das, OAS (SAG)
Managing Director

To

All District Managers
OSCSC Ltd.

Sub: **Revision of storage tariff of FCI godowns hired by OSCSC Ltd. on lease basis.**

Ref: This office letter No.5734 dt.16.04.2019.

Sir,

With reference to the letter on the subject cited above, I am to say that the storage tariff of FCI godowns hired by OSCSC Ltd. on lease basis under OSCSC management has been enhanced from Rs.2.89 per 50 kg bag /month to Rs.3.42 per 50 kg bag /month for the year 2017-18 with applicable taxes to be made effective w.e.f. 01.04.2017.

Yours faithfully,

MD
18.5.20
Managing Director

Memo No. 6741 Date 18.5.2020

Copy forwarded for information and necessary action to:

- (1) GM, FCI, Bhubaneswar-751007, (E-mail ID: gmo@fci@nic.in) with reference to letter No. Stg. /Corresp-OSCSC/2019 dt.26.12.2019.
- (2) FA & CAO / CGM (Fin)/ OSD (Accts.)/ Manager (QC), OSCSC Ltd., Bhubaneswar.
- (3) All Accounts Heads of OSCSC of the Districts.

MD
18.5.20
Managing Director

Statement of Month wise procurement of paddy and average storage period of paddy for the KMS 2019-20

Month	Opening Balance	Paddy procured	Total	Paddy issue for milling	C.B.	Avg closing stock (OB + CB)/2
November	0.00	129958.210	129958.21	0	129958.21	64979.105
December	129958.21	1694693.790	1824652.00	286477.898	1538174.10	834066.156
January	1538174.10	1913374.000	3451548.10	554869.583	2896678.52	2217426.310
February	2896678.52	1103053.000	3999731.52	645527.509	3354204.01	3125441.265
March	3354204.01	441622.970	3795826.98	467382.791	3328444.19	3341324.100
April	3328444.19	50153.030	3378597.22	1059293.541	2319303.68	2823873.934
May	2319303.68	577117.000	2896420.68	766713.330	2129707.35	2224505.513
June	2129707.35	1142181.000	3271888.35	565761.022	2706127.33	2417917.337
July	2706127.33	6023.000	2712150.33	640686.414	2071463.91	2388795.619
Aug	2071463.91	0.000	2071463.91	652426.667	1419037.24	1745250.578
September	1419037.24	0.950	1419038.19	719746.459	699291.74	1059164.490
October	699291.74	0.000	699291.74	440578.606	258713.13	479002.433
November	258713.13	0.00	258713.13	258713.130	0.00	129356.565
		7058176.950		7058176.950		22851103.406
					Average Storage period of paddy	3.238 month

OSD (Accounts)

Explanatory Notes on proposed economic cost of Custom Milled Rice (FAQ) for KMS 2020-21

The rates of incidentals have been proposed in the costing sheet taking into consideration the rates of incidentals recommended by different authorities like FCI, CWC in the State and also the Provisional rates of KMS 2019-20 for State of Odisha. The Justification for incidentals proposed for KMS 2020-21 are indicated below:

1. Minimum Support Price (MSP):

Minimum Support Price (MSP) of KMS 2020-21 is taken at Rs.1868/- p.q of common paddy.

2. Statutory Charges:-

- a) **Market fee:** - Market fee has been taken @ 2% of MSP only as per the rate in vogue in State and as per Government of India's rate approved for KMS 2019-20.
- b) **GST:** - Paddy is exempted from GST.

3. Mandi labour Charges:-

Govt. of Odisha in Labour & Employment Department have notified proposed minimum piece rate of wages vide Gazette Notification dt.03.08.2018 for different activities like carrying, stitching, weighing, loading etc. for paddy bags of 75 Kg. Based on such minimum rates Mandi Handling charges for 1 Qtl of paddy is worked out to Rs.40.38 as per calculation at **Annexure-I**.

4. Transportation Charges on paddy:-

The average lead distance for movement of paddy within the districts and from other districts is estimated at 47 kilometers. The State Level Committee on transportation charges had explored the average rate of transportation of paddy as follows. 1st 8 kilometers Rs.20.52 p.q. and Rs.0.56 paise per kilometer from 9 to 47 kilometers. At this rate the transportation charges per quintal for 47 kilometers comes to Rs.42.36. The SOR considered by SLC was based on rates of KMS 2019-20.

5. Commission to Society:-

Govt. of India has delinked Commission to Society from MSP of paddy from KMS 2013-14 and fix the rate @ Rs.31.25 per quintal of Common paddy from KMS 2013-14 onwards. Accordingly, Rs.31.25 p.q. is proposed for KMS 2020-21.

6. Driage:-

Driage @ 1% of MSP of paddy for raw rice milling has been proposed for KMS 2020-21. Driage is allowed to the millers @ 1% of MSP on Raw Rice Milling.

7. Custody & Maintenance charges :-

i) In Odisha paddy is lifted by the custom millers from mandi and directly stored at mills premises. There is no intermediate storage of paddy by the Agency before it is delivered to millers. The millers keep the paddy in covered storage godowns for safety and to avoid damage of paddy due to Flood, Cyclone and Whirlwind. Odisha has been experiencing devastating Cyclone & Flood very often. Storage of paddy in CAP is highly susceptible to damage & loss of paddy due to natural calamities. This issue was appraised in the meeting taken by Food Secretary, Govt. of India on 16.07.2018.

Accordingly, custody & maintenance charges have been claimed @ Rs.6.84 paisa per quintal of paddy for covered storage. The copy of letter issued enclosed at **Annexure-II**. This is the rate at which OSCSC is making payment to FCI for godowns taken in hired from FCI. The MOU with FCI is enclosed. Further wherever there will be CAP Storage of paddy at specific mills premises due to huge procurement and inadequate covered storage space, Custody & maintenance charges is being claimed at CAP Storage rate i.e. Rs.3.20 p.q. of paddy. This is to mention here that Rs.2.40 p.q. of paddy towards CAP Storage was last revised in the KMS 2013-14 and no revision has been made since then. The rate of KMS 2013-14 has been indexed @ 6% per annum for five years to arrive the rate for KMS 2020-21.

11. Transportation and Handling Charges on Rice:-

The average lead distance for delivery of CMR from mill point to godowns is estimated at 35 kms. The State Level Committee on transportation charges had explored the average rate of transportation of rice as follows.

1st 8 kms Rs.17.42 p.q. and Rs.0.59 paise per quintal per km. for 9 - 40 kms. At this rate the transportation charges per quintal for 35 kms comes to Rs.33.35. The average handling charges for delivery of rice at the godowns as discovered through tender process was Rs.6.60 p.q for 2019-20. The handling charges is indexed by 10% and Rs.7.26 p.q. is proposed for KMS 2020-21. Thus total handling & transportation charges is proposed at Rs.40.61 p.q. of CMR.

12. Transportation & Handling Charges on rice on distribution stage:

Procurement of CMR in Odisha is not evenly distributed in all the 30 districts. There are 8-10 surplus procuring districts who feeds rice to other deficit districts required for NFSA & other welfare schemes. Further Rice is also transported from base godowns to designated godowns inside the districts to manage optimum utilization of godown capacity available. GoI had provided Rs.47.40 p.q. towards handling and transportation charges on distribution in the Provisional Economic Costing for the KMS 2018-19. Accordingly, Rs.52.26 p.q. is proposed for KMS 2020-21, indexing the rate of 2018-19 by 5% each year for two years.

13. Gunny cost:-

At present for the month of October'19 the cost of new B. Twil gunny bags for packing of rice as declared by Jute Commissioner is Rs.28706/- per bale of 500 bags including branding instruction and other charges as obtained from Jute - Smart. The transportation charges for bringing jute bags from jute mills to different districts is Rs.675/- This rate is also finalized after open tender for transportation of gunny bags by road. Thus total landing cost of one gunny bale is Rs.29381/- or Rs.117.52 for 2 bags required for packing of 1 Qtl of CMR.

- ii) Considering the period of Procurement of paddy, receipt of rice after milling storage period of CMR at godowns before distribution under NFSA as per monthly allocation of Govt. of India. It is proposed to allow custody & maintenance charges on paddy for 3 months and storage charges on rice for 3 months instead of 4 months and 2 months respectively. The average storage period of paddy as worked at **Annexure-III** for KMS 2019-20 comes to 3.238 months.

8. Interest charges: -

- a) **Interest Charges at acquisition stage: -** Interest charges has been taken @ 9% p.a. Interest has been calculated for 3 months taking the entire period for which capital is blocked on MSP, Market fees, Commission to Societies, Mandi Labour Charges & Transportation Charges on Paddy. Odisha State Civil Supplies Corporation Ltd. has availed working capital finance (cash credit) from the commercial banks.
- b) **Interest charges at distribution stage: -** Interest charges has been taken @ 9% p.a. Interest has been calculated for 3 months on acquisition cost of rice taking the entire period for which capital is blocked.

9. Milling Charges –

This has been taken at Rs 10.50 p.q. for Raw rice and Rs.21/- p.q. for Parboiled rice milling as allowed by Govt. of India in which T.C. is excluded from 0 Kms to 8 Kms. As per Circular No.19/19/2017-GST dt.20.11.2017 issued by Tax Research Unit, Ministry of Finance, Govt. of India, GST @ 5% is liveable on custom milling of paddy. Hence GST @ 5% has been included in the milling charges.

10. Administrative charges: -

Administrative Charges at acquisition & distribution stage: - Administrative Charges @ 1% of MSP has been proposed at acquisition stage and @ 2.5% of MSP of paddy required for 1 quintal of rice at the distribution stage as allowed by GOI for KMS 2019-20.

14. Gunny Usage Charges:-

Gunny usage charges @ Rs.30.72 p.q. was claimed for Parboiled rice and Rs.31.68 for raw rice per quintal has been proposed for the KMS 2020-21 based on rate of used gunny bags communicated by GoI vide letter No. 15-14/2018 dt.23.05.2020.

15. Storage Charges :-

Storage charges are proposed for 3 months @ Rs.10.78 per quintal. This rate was finalized by Govt. of India vide letter No.6-21/2019 dt.22.10.2020 w.e.f. F.Y. 2018-19. At present Rs.32.34 p.q. for 3 months is proposed subject to any revision of Storage tariff by Govt. of India subsequently for KMS 2020-21.

16. Transit & Storage loss:-

This expenditure has been proposed at 0.35% of acquisition cost excluding cost of gunny bags and gunny depreciation as allowed for the KMS 2019-20. However actual shortage incurred and allowed as per the permissible limit prescribed in the guidelines on Storage Loss issued by Govt. of India vide letter dt. 12.12.2012 should be allowed at the time of finalization of accounts.

17. Insurance Premium:-

The rice stored at the godowns is insured against Natural Calamities. The premium expenditure is not allowed under Administrative Charges. Since such insurance is very much necessary to cover the risk against flood, cyclone & other natural disaster, the insurance premium should be allowed as a separate procurement incidental.

18. Central Pool delivery of CMR:

MSP, Statutory Charges, Mandi Labour Charges, Transportation charges on paddy, Commission to Societies, Milling Charges, Gunny Cost & Gunny usage charges – The rates as claimed for DCP shall also be made applicable for Central Pool.

- i) **Custody & Maintenance Charges:** This custody & maintenance charge is proposed for 3 months as in the case of DCP, both for covered and CAP Storage.
- ii) **Interest Charges:** - Interest charges have been proposed for 3 months in view of Storage period of paddy for 3 months. The rates as claimed for DCP should be made applicable for Central Pool.
- iii) **Transportation Charges on Paddy:** Transportation charges on paddy were allowed in the costing instead of foot note upto KMS 2012-13. It has been submitted to Govt. of India earlier vide letter No.21589 dt.21.12.2013, No.5873 dt.20.03.2017 & No.22904 dt.09.11.2017 of State Govt. to allow a flat rate towards transportation charges on paddy as is allowed in the PCS of DCP Operation. This may be considered. This issue was also discussed in the meeting of the committee to Rationalize the principles for Transportation charges for DCP and FCI operation held on 10.05.2018 under the Chairmanship of Joint Secretary (PDS), Deptt. of Food & Public Distribution, Govt. of India, Krishi Bhawan, New Delhi.
