

No.192(23)/2006-F.C.A/Cs
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi
Dated 22nd May, 2007

To

The Secretary, Food & Civil Supplies Department;
Government of Orissa, Bhubaneswar.

Sub: Fixation of the rates of Custom Milled Rice (CMR) and cost of new 50 kg. Gunny Bags used by the Government of Orissa and its agencies under Relaxed Specifications for the procurement of Custom Milled Rice for the Central Pool and of Economic Cost during the Kharif Marketing Season 2006-07.

Sir,

I am directed to convey the approval of the Government of India for payment of the following rates of Custom Milled Rice (CMR) in respect of paddy procured under relaxed specifications, as per specifications issued vide this Deptt.'s letter No.8-10-2006-S&I dated 25.10.2006, under the price support operation to the Government of Orissa and its agencies during the KMS 2006-07 which will be effective up to date of issue of these orders only.

Note: The payment of incentive bonus will be subject to the condition that State Government fully exempts this bonus amount from all the State taxes and levies including VAT. State agencies also have to certify that the amount of the bonus has actually been paid to the farmers.

1. (i) 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>	<u>(Rs./qtl)</u>
Raw Rice	1149.19	1198.80	
Par-Boiled rice	1139.50	1187.93	

(For transportation of rice from mills to storage point beyond 8 kms. the charges will be payable based on rate fixed by the District collectors of the State or Food Corporation of India's rate whichever is lower subject to a maximum of Rs.8.43 per qtl.)

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

<u>Commodity</u>	<u>Common</u>	<u>Grade-'A'</u>	<u>(Rs./qtl)</u>
Raw Rice	1242.18	1294.04	
Par-Boiled rice	1232.02	1282.65	

2. 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 Food Corporation of India

procured under Price Support Scheme(PSS)for the Central Pool. No interest on delayed payment on this account will be payable.

3. Milling charges have been allowed @ Rs.15 per qtl. for raw and Rs.25 per qtl. For par-boiled rice including transportation charges within a distance of 8 kms from the mills on paddy as well as rice.

4. 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.

5. As per para 4 of this Department's letter No.192 (4)/2003-FC.A/Cs. Dated 16th July, 2003, the rate / cost of Custom Milled Rice (CMR) and other elements as indicated above are final. If the State Government feels that there is adequate justification for a revision in a particular component, the claim would be considered on the basis of detailed justification submitted for the increase, documentary proof and accounts audited by the auditors appointed by the Comptroller and Auditor General.

6. To ensure proper utilization of funds / subsidy being released by the Government of India, the FCI may insist on 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. as per past practice.

7. This issues with the approval of the Integrated Finance Division vide their Dy. No.1439/FA/2007 dated 16.5.2007.

Yours faithfully,
Sd/-S.M. Gupta

Under Secretary to the Govt. of
India.

Annexure-II

Government of India
Department of Food & Public Distribution
Economic cost of Custom Milled Rice procured by Government of Orissa
During the Kharif Marketing Season 2006-07 **Under Relaxed Specifications for DCP Scheme**(effective till date of issue of these orders

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(Rs./qtl.)

Sl.No	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade-A	Common	Grade-A
	Minimum Support Price(MSP)	580.00	610.00	580.00	610.00
	Less Value Cut	23.00	24.00	23.00	24.00
1.	Effective MSP after value cut	557.00	586.00	557.0	586.00
2.	Incentive Bonus	40.00	40.00	40.00	40.00
3.	Statutory Charges				
	Market Fee @ 1% of MSP	5.57	5.86	5.57	5.86
	VAT @ 4% of MSP	22.28	23.44	22.28	23.44
4.	Mandi Labour charges(Handling Charges)	5.76	5.76	5.76	5.76

5.	Transportation charges for transportation of paddy from purchase centre to temporary storage point to mills beyond 8kms.	18.99	18.99	18.99	18.99
6.	Driage @ 1% of M.S.P.	5.57	5.86	--	--
7.	Commission to Societies @ 1% of M.S.P. subject to the condition that the job of Arhatia are performed by the Societies.	5.57	5.86	5.57	5.86
8.	Custody & maintenance charges @ Rs.1.84 per qtl. Per month for 2 months	3.68	3.68	3.68	3.68
9.	Interest charges for 2 months @ 9.70% p.a. on M.S.P.(including incentive bonus).Statutory charges and Mandi labour charges	10.19	10.69	10.19	10.69
10.	Milling charges including transportation charges up to 8 kms distance from mills on paddy as well as rice	15.00	15.00	25.0	25.00
11.	Administrative charges @ 1% of MSP	5.57	5.86	5.57	5.86
12.	Cost of 1 qtl. of milled paddy	695.18	727.0	699.61	731.14
13.	Out turn ratio	65%	65%	66%	66%
14.	Sub-Total	1069.51	1118.46	1060.02	1107.79
15.	Transportation charges of rice from mills to storage point	8.43	8.43	8.43	8.43
16.	Cost of gunny bags including internal transportation of gunny bags @ Rs.1.08/ctl.	48.04	48.04	48.04	48.04
17.	Gunny depreciation on cost of gunny bags @Rs.46.96 per qtl.	18.78	18.78	18.78	18.78
18.	Cost of 1 qtl.of rice	114.76	1193.71	1135.27	1183.04

* In addition, Vat, as applicable, will be allowed as per VAT Act.

Sd/-
Under Secretary to Government of India

Annexure-II (contd))

Government of India
Department of Food & Public Distribution
Economic cost of Custom Milled Rice procured by Government of Orissa
During the Kharif Marketing Season 2006-07 **Under Relaxed Specifications for DCP Scheme**
(effective till date of issue of these orders)

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(Rs./ctl.)

Sl.No	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade-A	Common	Grade-A
A. ACQUISITION COST					
1.	Cost of C.M.R.	1144.76	1193.71	1135.27	1183.04
B. DISTRIBUTION COST					
2.	Storage charges @ Rs.3.58 per qtl. per month for 4 months	14.32	14.32	14.32	14.32
3.	Handling and transportation charges	19.78	19.78	19.78	19.78
4.	Interest charges @ 9.70% p.a. for 4 months on acquisition cost minus interest	36.51	38.06	36.21	37.73

5.	Transit and Storage loss @ 0.5% of acquisition cost excluding cost of gunny bags including gunny transportation and gunny depreciation	5.39	5.63	5.34	5.58
6.	Administrative charges @ 2.5% of M.S.P. 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	21.42	22.54	21.10	22.20
7.	Total Distribution cost	97.42	100.33	96.75	99.61
C. ECONOMIC COST OF CMR					
8.	Acquisition cost + Distribution cost (A+B)	1242.18	1294.04	1232.02	1282.65

Sd/-
(S. M. Gupta)
Under Secretary to the Government of India