

No. 192(22)/2018- FC A/Cs
Government of India
Ministry of Consumer Affairs, Food and Public distribution
Department of Food and Public Distribution

Krishi Bhawan, New Delhi
Dated: 4th December, 2018.

To

The Secretary,
Food & Civil Supplies Department,
Government of Andhra Pradesh,
Vijayawada.

Subject: Fixation of the **Provisional** rates of **Custom Milled Rice (CMR) (FAQ)** and cost of new 50 kg. Gunny Bags used by the Government of **Andhra Pradesh** and its agencies for the procurement of Custom Milled Rice (FAQ) for the Central Pool and for DCP scheme during the Kharif Marketing Season **2018-19**

Sir,

I am directed to convey the approval of the Government of India for payment of the following **provisional** rates of Custom Milled Rice (CMR) (FAQ) and the economic cost for the Central Pool and DCP scheme under the price support operation to the Government of **Andhra Pradesh** and its agencies during the Kharif Marketing Season **2018-19**.

For Central Pool Operations:

- (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):

		(Rs./qtl)
<u>Commodity</u>	<u>Common</u>	<u>Grade 'A'</u>
Raw-rice	2954.38	2987.20
Par-boiled rice	2901.14	2933.19

(For central pool stocks for transportation of paddy from purchase centers/mandis to mills and for rice from mills to storage godowns, transportation charges beyond 8 kms. will be payable based on the rates fixed by the District Collectors of the State or FCI's rate whichever is lower.)

For DCP Operation

- (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):

		(Rs./qtl.)
<u>Commodity</u>	<u>Common</u>	<u>Grade 'A'</u>
Raw-rice	3201.77	3235.62
Par-boiled rice*	2929.63	2961.23

*Acquisition cost

Note:

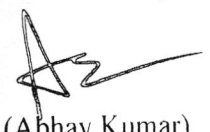
- (i) This costing is for procurement of paddy/ CMR as per the policy of usage charges for packaging of procured paddy.
- (ii) Transportation charges allowed in the provisional cost sheet (Annexure-II) for distribution stage are only for transportation of rice from storage point to designated depots. For transportation of

rice from designated depots to FPS, transportation charges will be regulated as per gazette notification dated 17.08.2015 regarding Central Assistance to States/UTs for meeting the expenditure on intra-State movement and handling of food grains and FPS dealers margin under Section 22(4)(d) of the NFSA Act, 2013.

2. The payment of commission to Societies will be subject to the conditions laid vide this Deptt.'s Order no. 192(4)/2003-FC A/Cs (Vol.II) dated 26.07.2013.
3. **Milling charges are allowed @ Rs. 15 per qtl. for raw rice and Rs. 25 per qtl. for par-boiled rice subject to condition that payment of transportation charges for paddy/rice will be made for the distances beyond 8 kms. onwards only as in this case, transportation charges upto 8 kms is included in the milling charges itself.**
4. The Custom Milled Rice would be delivered by the procuring agencies to FCI, in **new** 50 kg bags only, in its local godowns upto the scale point and the stacking in the FCI godown will be done by FCI.
5. The rate/cost of Custom Milled Rice (CMR) and other elements as indicated above are provisional. The State Government should send its claims for final incidentals along with accounts audited by the auditors appointed by the Comptroller and Auditor General and documentary proof, as well as detailed justification for each item at the earliest after the end of the season and in any case not later than 12 months from the end of the financial year in which the season has ended. As per this Department's letter no. 199(5)/2016- FC A/Cs dated 03.010.2016, for all the States who have not submitted audited accounts/ claims for finalization within four years of commencement of marketing season i.e. upto KMS 2013-14, only MSP, Statutory taxes and gunny charges have been given at prevailing rates. Rates of other incidentals have been restricted upto KMS 2015-16 levels.
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 for previous financial year before release of incidentals on account of statutory charges i.e. Market Fee etc. as per past practice.
7. These provisional rates/cost sheets are only for paddy/CMR procured by the State agencies/FCI and not for any other party acting either on behalf of such State agency or the FCI. These rates would not be benchmarked to fix rate for such parties.
8. State Government is requested to ensure compliance of PFMS instructions issued by MOF from time to time.
9. This issues with the concurrence of IFD vide File no. 192(22)/2018-FC A/Cs dated 28.11.2018 and approval of Joint Secretary (P&FCI) vide File No. 192(22)/2018-FC A/Cs dated 29.11.2018

Dated: 04.12.2018

Yours faithfully,



(Abhay Kumar)

Under Secretary to the Government of India
Tele: (011) 23073798

Copy to:

1. The Executive Director (Procurement), FCI, 16-20, Barakhamba Lane, New Delhi-110001
2. The Executive Director (Finance), FCI, 16-20, Barakhamba Lane, New Delhi-110001.
3. The Senior Regional Manager, FCI Regional Office- Andhra Pradesh, Jain Colony, Gollapudi, Vijayawada.
4. The Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10 Bahadur Shah Zaffar Marg, New Delhi – 110002.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, North Zone, 2nd Floor, Khadya Sadan, 16-20, Barakhamba Lane, New Delhi-110001
6. PS to Principal Adviser (Cost)/Adviser (Cost)/Director (Fc A/Cs) /Director (Cost)/US (Finance-I)
7. PS to JS(P&FCI)
8. Guard File.

Annexure-I

No.192 (22)/2018-FC A/Cs

Government of India

Department of Food and Public Distribution

Provisional Rates of Custom Milled Rice procured under (FAQ) delivered to the Central Pool during the Kharif Marketing Season 2018-19 in respect of Government of Andhra Pradesh and its agencies

(Rs./qtl)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	Minimum Support Price (MSP)	1750	1770	1750	1770
2	Statutory charges				
	(i) Market Fee 1% of MSP	17.50	17.70	17.50	17.70
3	Mandi Labour Charges (Handling Charges)	2.41	2.41	2.41	2.41
4	Driage @1% of MSP	17.50	17.70	--	--
5	Commission to Societies (subject to the condition that the job of Arhatiya are performed by the Societies) \$	31.25	32.00	31.25	32.00
6	Custody & Maintenance Charges ^	--	--	--	--
7	Interest Charges for 2 months @ 9.89% p.a. on MSP, Statutory Charges and Mandi labour charges^	29.17	29.51	29.17	29.51
8	Milling Charges including transportation charges of rice from mills to storage point beyond 8 kms.	15.00	15.00	25.00	25.00
9	Administration charges @ 2.5% of MSP for central pool stocks only	43.75	44.25	43.75	44.25
10	Cost of 1 qtl. of milled paddy	1906.58	1928.57	1899.08	1920.87
11	Out turn ratio	67%	67%	68%	68%
12	Sub-Total	2845.64	2878.46	2792.76	2824.81
13	Cost of new gunny bags \$\$	96.08	96.08	96.08	96.08
14	Usage charges for packaging of paddy **	12.66	12.66	12.30	12.30
15	Cost of 1 qtl. Of rice	2954.38	2987.20	2901.14	2933.19

\$ Commission to Societies is payable subject to the conditions laid down vide letter no 192(4)/2003-FC a/csVol- 2 dated 26.07.2013.

^ Custody and Maintenance charges and interest charges are payable subject to the conditions laid down vide letter no 192(4)/2003-FC a/csVol- 3 dated 05.11.2015 and 12.01.2015. Since paddy is kept in joint custody with millers, no separate C&M charge is being allowed through provisional cost sheet and it will be regulated as per the orders issued by this Department on 21.11.2014, 26.12.2014 and 05.11.2015

\$\$ Includes branding charges, safety stitch cess, inspection charges, development charges, terminal charge, railway freight, sales tax @2% upto June'17 and applicable GST from July'17 onwards.

** Payment of Usage charges would be regulated as per order issued by this Department vide letter No. 15(8)/2004-Py.III (Pt.) dated 05.10.2017, which inter alia stipulates that:-

(a) The said usage charges shall be admissible subject to condition that the state's principal/food secretary or M.D of state agency shall certify that for filling of paddy, the old bags arranged by the state/miller is being used only once after purchase. State shall also provide necessary supporting documents/certifications of gunny accounts.

(b) In case state fails to provide appropriate documents/certifications, the usage charges shall be limited to Rs.3.75 per bag for packaging of procured paddy in old bags or actual claim whichever is lower.

Dated: 04.12.2018

(Abhay Kumar)

Under Secretary to the Government of India

Government of India

Department of Food and Public Distribution

Provisional Rates of Custom Milled Rice procured under (FAQ) specification retained for distribution under the decentralised procurement operations during the Kharif Marketing Season 2018-19 in respect of Government of Andhra Pradesh and its agencies

(Rs./qtl)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	Minimum Support Price (MSP)	1750.00	1770.00	1750.00	1770.00
2	Statutory charges				
	(i) Market Fee 1% of MSP	17.50	17.70	17.50	17.70
3	Mandi Labour Charges (Handling Charges)	2.41	2.41	2.41	2.41
4	Transportation charges for transportation of paddy from purchase centre to mills beyond 8 kms.	45.62	45.62	45.62	45.62
5	Driage @1% of MSP	17.50	17.70	--	--
6	Commission to Societies (subject to the condition that the job of Arhatiya are performed by the Societies) \$	31.25	32.00	31.25	32.00
7	Custody & Maintenance Charges ^	--	--	--	--
8.	Interest Charges for 2 months @ 9.89% p.a. on MSP, Statutory Charges and Mandi labour charges ^	29.17	29.51	29.17	29.51
9	Milling Charges including transportation charges upto 8 kms on each side from mills for paddy as well as rice.	15.00	15.00	25.00	25.00
10	Administration charges @ 1% of MSP !!	17.50	17.70	17.50	17.70
11	Cost of 1 qtl. of milled paddy	1925.95	1947.64	1918.45	1939.94
12	Out turn ratio	67%	67%	68%	68%
13	Sub-Total	2874.55	2906.93	2821.25	2852.85
14	Cost of new gunny bags \$\$	96.08	96.08	96.08	96.08
15	Usage charges for packaging of procured paddy **	12.66	12.66	12.30	12.30
16	Acquisition Cost of 1 qtl. Of rice	2983.29	3015.67	2929.63	2961.23

\$ Commission to Societies is payable subject to the conditions laid down vide letter no 192(4)/2003-FC a/csVol- 2 dated 26.07.2013.

^ Custody and Maintenance charges and interest charges are payable subject to the conditions laid down vide letter no 192(4)/2003-FC a/csVol- 3 dated 05.11.2015 and 12.01.2015. Since paddy is kept in joint custody with millers, no separate C&M charge is being allowed through provisional cost sheet and it will be regulated as per the orders issued by this Department on 21.11.2014, 26.12.2014 and 05.11.2015.

\$\$ Includes branding charges, safety stitch cess, inspection charges, development charges, terminal charge, railway freight, sales tax @2% upto June'17 and applicable GST from July'17 onwards.

**Payment of Usage charges would be regulated as per order issued by this Department vide letter No. 15(8)/2004-Py.III (Pt.) dated 05.10.2017, which inter alia stipulates that:-

(a) The said usage charges shall be admissible subject to condition that the state's principal/food secretary or M.D of state agency shall certify that for filling of paddy, the old bags arranged by the state/miller is being used only once after purchase. State shall also provide necessary supporting documents/certifications of gunny accounts.

(b) In case state fails to provide appropriate documents/certifications, the usage charges shall be limited to Rs.3.75 per bag for packaging of procured paddy in old bags or actual claim whichever is lower.

Dated: 04.12.2018

(Abhay Kumar)

Under Secretary to the Government of India

Annexure-II (Contd.)

No.192 (22)/2018-FC A/Cs

Government of India

Department of Food and Public Distribution

Provisional Rates of Custom Milled Rice procured under (FAQ) specification retained for distribution under the decentralised procurement operations during the Kharif Marketing Season 2018-19 in respect of Government of Andhra Pradesh and its agencies

(Rs./qtl)

(Rs./qt.)

S. No.	Item of incidentals	Raw Rice	
		Common	Grade A
A. ACQUISITION COST		2983.29	3015.67
1	Cost of CMR		
B. DISTRIBUTION COST			
2	Storage charges @ Rs.8.50 per qtl. per month for 4 months (covered)	34.00	34.00
3	Transportation and Handling charges *	40.43	40.43
4	Interest Charges as per the proposal of State Government.	68.69	69.31
5	Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags and usage charges.	10.06	10.17
6	Administrative charges @ 2.5% of MSP of paddy equivalent to 1 qtl. of rice or actuals whichever is less for the quantity retained by the State Government for distribution under PDS.	65.30	66.04
7	Total Distribution Cost	218.48	219.95
C ECONOMIC COST OF CMR			
8	Acquisition cost + Distribution cost (A+B)	3201.77	3235.62

Note: The Food Secretary of the State is required to give a certificate that the CMR has been kept under covered storage.

*The transportation charges at distribution stage is being allowed only for transportation of rice upto the designated depots. Payment of transportation charges for transportation of rice from designated depots to FPS will be regulated as per gazette notification dated 17.08.2015 regarding Central Assistance to States/UTs for meeting the expenditure on intra-State movement and handling of food grains and FPS dealers margin under Section 22(4)(d) of the NFSA Act, 2013. It is also clarified that designated depots means depots to be specified from time to time by Govt. of India for the purpose of distribution of food grains under NFSA. While submitting its claim for sanction of advance/provisional/ final subsidy state Govt. should certify that transportation charges for transportation of rice from designated depot to FPS are not claimed under food subsidy as same is being separately claimed under Central Assistance for NFSA.

Dated: 04.12.2018

 (Abhay Kumar)

Under Secretary to the Government of India