

No.192(20)/2021-FC.A/Cs(E.378050)

Government of India
Ministry of Consumer Affairs, Food and Public distribution
Department of Food and Public Distribution

Krishi Bhavan, New Delhi

24/12/2021

To,

The Secretary, Food & Civil Supplies Department,
Government of Bihar,
Patna.

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 **Bihar** and its agencies for the procurement of Custom Milled Rice (FAQ) for the Central Pool and for DCP scheme during the **Kharif Marketing Season 2021-22**.

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 **Bihar** and its agencies during the Kharif Marketing Season **2021-22**.

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>
Raw-rice	3271.82
Parboiled Rice	3211.92

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>
Raw-rice	3518.54
Parboiled Rice	3456.60

Note:

- (i) This costing is for procurement of paddy/ CMR as per the policy of usage charge for packaging of procurement of paddy.
(ii) In this regard, it is stated that transportation charges

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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. For central pool & DCP operation, stocks for transportation of paddy from purchase centers/mandis to mills and for rice from mills to storage godowns, transportation charges from 0 Km onwards will be payable based on the principles of policy issued vide letter no. 192(14)/2018-FC A/cs dated 06.05.2019.

3. 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.

4. 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. Further, as already stated in revised principles issued by this Department vide letter dated 24.02.20 stating that considering the long delay in submission of annual audited accounts & non-adherence to timelines by some of the State Government, an additional withholding of provisional subsidy for long-defaulting States will be effected w.e.f 31.03.2021. The States which fail to submit annual accounts beyond five years will be deducted 5% of the admissible provisional subsidy in the 6th year and further by 2% per annum. The withheld subsidy will be released only at the time of settlement of final subsidy of the concerned year.

5. 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.

6. 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.

7. State Govt. is also requested to ensure compliance of Ministry of Finance instructions issued from time to time on PFMS. State Govt should book all expenditure in respective head including MSP component, through PFMS in consonance with the guidelines of D/o Expenditure.

8. This issues with the approval of the Integrated Finance Division vide

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file No. 192(20)/2021-FC A/Cs dated 22.12.2021.

Yours faithfully,


(Brij Bihari Lal)

Under Secretary to the Government of India

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 Managing Director, Bihar State Food and Civil Supplies Corpn, Ltd Patna.
4. The Senior Regional Manager, FCI Regional Office- Bihar, Arunachal Building, Exhibition Road, patna-800 001.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board - IV, 10 Bahadur Shah Zaffar Marg, New Delhi - 110002.
6. 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
7. Sr. PPS to Secretary (Food)/ PPS to AS&FA, PPS to JS (P&FCI).
8. PS to Principal Advisor (Cost)/Director (FC A/cs)/Director (Cost)/US (Finance- 1).

(Brij Bihari Lal)

Under Secretary to the Government of India

Annexure-I

No.192(20)/2021-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 2021-22 in respect of Government of Bihar and its agencies

(Rs./qtl)

S. No	Item of incidentals	Raw Rice (Common)	Parboiled (Common)
1	Minimum Support Price (MSP) ###	1940	1940
2	Mandi Labour Charges (Handling	8.84	8.84

	Charges)		
3	Transportation Charges !	38.51	38.51
4	Driage @1% of MSP	19.40	
5	Commission to Societies (subject to the condition that the job of Arhatiya are performed by the Societies) \$	31.25	31.25
6	Custody & Maintenance Charges @Rs.2.40 per qtl. per month for 2 months #	4.80	4.80
7	Interest Charges for 2 months @ 7.74% p.a. on MSP, Mandi labour charges, Commission to Societies & Transportation ##	26.04	26.04
8	Milling Charges excluding Rs. 5.00 per qtl. as transportation charges upto 8 kms on each side from mandi to mills for paddy as well as mill to depot for rice.	10.00	20.00
A	Cost of 1 qtl. of milled paddy	2078.84	2069.44
9	Out turn ratio	67%	68%
B	Sub-Total	3102.75	3043.29
9	Cost of new gunny bags\$\$	152.83	152.83
10	Internal Transportation of Gunnies	1.75	1.75
11	Usage charges for packaging of procured paddy**	14.49	14.05
C	Cost of 1 qtl. of rice	3271.82	3211.92

Subject to direct & timely online payment of MSP to farmers in their bank accounts without any deductions. FCI need to verify the same before actual releases and report in this regard may be sent to DFPD.

\$ Commission to Societies is payable as per revised principles dated 24.02.2020.

#Custody and maintenance charges would be released on production of a certificate by the State Government provided these charges have been incurred by it. It will further be restricted to State Govt.'s claim, subject to the partial amendment in Principle as per the order issued by this Department vide letter no.192(4)/2003-FC A/Cs (Vol.III) dated 05.11.2015 and 12.11.2015. The said charges are allowed subject to the condition that

Paddy is not kept in joint custody with the Millers.

** Interest is allowed provisionally subject to the partial amendment in Principle as per the order issued by this Department vide letter no.192(4)/2003-FC A/Cs (Vol.III) dated 24.02.2020. In view of discussions in the meeting held under the chairmanship of JS(P&FCI) on 18.11.21 on rationalizing the interest rates, it was decided to allow

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interest charges @7.74% per annum.

**Payment of Usage charges would be regulated as per order issued by this Department vide letter No. 15(14)/2018-Py.III (Pt.) dated 13.12.2018 and subsequent letter dated 28.09.2020.

\$\$ includes branding charges, safety stitch cess, inspection charges, development charges, terminal charge, railway freight including applicable GST.

! Transportation charges for transportation of paddy from mandis/purchase centre to mills and for rice from mills to State godown will be payable from 0 Km onwards based on principles of policy issued vide letter no. 192(14)/2018-FC A/cs dated 06.05.2019.

Dated:


(Brij Bihari Lal)

Under Secretary to the Government of India

Annexure-II

No.192(20)/2021-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 2021-22 in respect of Government of Bihar and its agencies

(Rs./qtl)

S. No	Item of incidentals	Raw Rice (Common)	Parboiled (Common)
1	Minimum Support Price (MSP) %	1940	1940
2	Mandi Labour Charges (Handling Charges)	8.84	8.84
3	Transportation Charges !	38.51	38.51
4	Driage @1% of MSP	19.40	
5	Commission to Societies (subject to the condition that the job of Arhatiya are performed by the Societies) \$	31.25	31.25
6	Custody & Maintenance Charges @Rs.2.40 per qtl. per month for 2 months #	4.80	4.80
7	Interest Charges for 2 months @ 7.74%	26.04	



	p.a. on MSP, Mandi labour charges, Commission to Societies & Transportation ##		26.04
8	Milling Charges excluding Rs. 5.00 per qtl. as transportation charges upto 8 kms on each side from mandi to mills for paddy as well as mill to depot for rice.	10.00	20.00
A	Cost of 1 qtl. of milled paddy	2078.84	2069.44
9	Out turn ratio	67%	68%
B	Sub-Total	3102.75	3043.29
9	Cost of new gunny bags\$\$	152.83	152.83
10	Internal Transportation of Gunnies	1.75	1.75
11	Usage charges for packaging of procured paddy**	14.49	14.05
C	Cost of 1 qtl. of rice	3271.82	3211.92

% Subject to direct & timely online payment of MSP to farmers in their bank accounts without any deductions. FCI need to verify the same before actual releases and report in this regard may be sent to DFPD.

\$ Commission to Societies is payable as per revised principles dated 24.02.2020.

#Custody and maintenance charges would be released on production of a certificate by the State Government provided these charges have been incurred by it. It will further be restricted to State Govt.'s claim, subject to the partial amendment in Principle as per the order issued by this Department vide letter no.192(4)/2003-FC A/Cs (Vol.III) dated 05.11.2015 and 12.11.2015. The said charges are allowed subject to the condition that

Paddy is not kept in joint custody with the Millers.

Interest is allowed provisionally subject to the partial amendment in Principle as per the order issued by this Department vide letter no.192(4)/2003-FC A/Cs (Vol.III) dated 24.02.2020. In view of discussions in the meeting held under the chairmanship of JS(P&FCI) on 18.11.21 on rationalizing the interest rates, it was decided to allow interest charges @7.74% per annum.

**Payment of Usage charges would be regulated as per order issued by this Department vide letter No. 15(14)/2018-Py.III (Pt.) dated 13.12.2018 and subsequent letter dated 28.09.2020.

\$\$ includes branding charges, safety stitch cess, inspection charges, development charges, terminal charge, railway freight including applicable GST.

! Transportation charges for transportation of paddy from mandis/purchase centre to mills and for rice from mills to State godown will be payable from 0 Km onwards based on principles of policy issued vide letter no. 192(14)/2018-FC A/cs dated 06.05.2019.

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##As claimed by State, Custody and Maintenance charges would be released on production of a certificate by the State Govt. that these charges have been incurred by it.

* Transportation charges for transportation of rice from mills to State's godown will be payable from 0 Km onwards based on principles of policy issued vide letter no. 192(14)/2018-FC A/cs dated 06.05.2019. 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 certified 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.

**Payment of interest charges is subject to the partial amendment in Principle as per the order issued by this Department vide letter no. 192(4)/2003-FC A/Cs (Vol.III) dated 05.11.2015 and 12.11.2015. In view of discussions in the meeting held under the chairmanship of JS(P&FCI) on 18.11.21 on rationalizing the interest rates, it was decided to allow interest charges @7.74% per annum.

Dated:

Digitally Signed by Brij
(Brij Bihari Lal)
Under Secretary to the Government of India
Reason: Approved

(Brij Bihari Lal)
Under Secretary to the Government of
India

Annexure-II (Contd.)

No.192(20)/2021-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
2021-22 in respect of Government of Bihar and its agencies**

S. No.	Item of incidentals	Raw Rice	Par Boiled
		Common	Common
A.	ACQUISITION COST		
1	Cost of CMR	3271.82	3211.92
B.	DISTRIBUTION COST		
2	Storage charges @ Rs. 10.78 per qtl. per month for 4 months (covered) ##	43.12	43.12
3	Handling charges	1.12	1.12
4	Transportation charges*	36.58	36.58
4	Interest Charges @ 7.74% p.a. for 4 months on acquisition cost minus interest and drriage.**	82.66	81.88
5	Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags and usage charges for packing of procured paddy.	10.86	10.65
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.	72.39	71.32
7	Total Distribution Cost	246.73	244.68
C	ECONOMIC COST OF CMR		
8	Acquisition cost + Distribution cost (A+B)	3518.54	3456.60

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