

**No.192(31)/2014-FC.A/Cs.**  
Government of India  
Ministry of Consumer Affairs, Food and Public distribution  
Department of Food and Public Distribution

Krishi Bhavan, New Delhi  
Dated the: 4<sup>th</sup> February, 2015

To,

The Secretary,  
Food & Civil Supplies Department,  
Government of Karnataka  
Bangalore.

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 Karnataka** and its agencies for the procurement of Custom Milled Rice(FAQ) for the Central Pool and DCP during the Kharif Marketing Season 2014-15.

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 **Karnataka** and its agencies during the Kharif Marketing Season **2014-15**.

**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):

<u>Commodity</u>	<u>Common</u>	<u>(₹/qtl)</u> <u>Grade 'A'</u>
Raw-rice	2299.37	2362.36
Par-boiled rice	2262.03	2323.50

(For central pool stocks for transportation of paddy from purchase centres/mandis to mills and for rice from mills to storage godowns, transportation charges from 0 kms onwards 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 decentralised procurement operation (Item wise details of the economic cost are enclosed at Annexure-II):

<u>Commodity</u>	<u>Common</u>	<u>(₹/qtl.)</u> <u>Grade 'A'</u>
Raw-rice	2312.00	2374.98
Par-boiled Rice	2274.47	2335.94

Note:

(i) This costing is for new gunny bags only. In case procurement of paddy is done in once used gunnies, separate order will be issued for the same.

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 FCI 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 @ ₹ 10 per qtl. for raw and ₹ 20 per qtl. for par-boiled rice, excluding ₹ 5.00 per qtl. as transportation charges upto 8 kms from purchase centre to mill to FCI godowns on paddy as well 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 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 alongwith accounts audited by the auditors appointed by the Comptroller and Auditor General and documentary proof and detailed justification for each item at the earliest after the end of the season.

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, RD Cess etc.

7. These 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. This issues with the approval of the Integrated Finance Division vide their Dy. No.322419 /FA/15 dated 3.2.2015.

Yours faithfully,

  
(Sanjay Kumar)

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

Copy to:

1. The Executive Director (Commercial), 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, Karnataka
4. The Managing Director.
4. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10 Bahadur Shah Zafar Marg, New Delhi.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, North Zone, 2<sup>nd</sup> Floor, Khadya Sadan, 16-20, Barakhamba Lane, New Delhi-110001.
6. Director (Cost)/Director(FC A/cs)/Director (Finance)/US (Finance).
7. Guard File.

  
(Sanjay Kumar)

Under Secretary to the Government of India

**Annexure-I****No.192(31)/2014-FCA/cs**

Government of India

Department of Food and Public Distribution

**Provisional rates of Custom Milled Rice (FAQ) delivered to the Central Pool during the Kharif Marketing Season 2014-15 in respect of Govt. of Karnataka and its agencies**

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(₹/qtl.)

S. No.	Item of incidentals	Raw Rice		parboiled	
		Common	Grade A	Common	Grade A
1	Minimum Support Price (MSP)	1360.00	1400.00	1360.00	1400.00
2.	Statutory Charges				
	Market Fee @1.5% of MSP	20.40	21.00	20.40	21.00
3	Mandi Labour Charges (Handling Charges)	10.28	10.28	10.28	10.28
4	Driage @1% of MSP	13.60	14.00	-	-
5.	Custody & Maintenance Charges @₹ 2.40 per qtl. Per month for 2 months #	4.80	4.80	4.80	4.80
6.	Interest Charges for 2 months @ 11.75% p.a. on MSP, Statutory charges and Mandi labour charges	27.23	28.03	27.23	28.03
7.	Milling Charges excluding transportation charges upto 8 kms on each side from mills for paddy as well as rice	10.00	10.00	20.00	20.00
8.	Administration charges @ 1% of MSP for central pool stocks only	13.60	14.00	13.60	14.00
9.	<b>Cost of 1 qtl. of paddy</b>	<b>1459.91</b>	<b>1502.11</b>	<b>1456.31</b>	<b>1498.11</b>
10.	Out turn ratio	67%	67%	68%	68%
11.	<b>Sub-Total</b>	<b>2178.97</b>	<b>2241.96</b>	<b>2141.63</b>	<b>2203.10</b>
12.	Cost of new gunny bags ^^	86.00	86.00	86.00	86.00
13.	Gunny Depreciation **	34.40	34.40	34.40	34.40
14.	<b>Cost of 1 qtl. Of rice</b>	<b>2299.37</b>	<b>2362.36</b>	<b>2262.03</b>	<b>2323.50</b>

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

^^ Includes branding charges, safety stitch, cess, education cess, CST, inspection charges, development charges, terminal charges, railway freight, interest as applicable.

\*\*Gunny depreciation is for use of new gunnies in procurement of paddy.

Dated: 4.2.2015

(Sanjay Kumar)

Under Secretary to the Government of India

**Annexure-II****No.192(31)/2014-FCA/Cs**

Government of India

Department of Food and Public Distribution

**Provisional economic cost of Custom Milled Rice (FAQ) retained for distribution under decentralized procurement operations during the Kharif Marketing Season 2014-15 in respect of Govt. of Karnataka and its agencies**

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(₹/qtl.)

S. No.	Item of incidentals	Raw Rice		Parboiled	
		Common	Grade A	common	Grade A
1	Minimum Support Price (MSP)	1360.00	1400.00	1360.00	1400.00
2.	Statutory Charges				
	Market Fee @1.5%of MSP	20.40	21.00	20.40	21.00
3	Mandi Labour Charges (Handling Charges)	10.28	10.28	10.28	10.28
4	Driage @1% of MSP	13.60	14.00	-	-
5.	Transportation charges (for transportation of paddy from purchase centre to temporary storage point to mills from 0 km onwards	8.46	8.46	8.46	8.46
6.	Custody & Maintenance Charges @₹2.40 per qtl. Per month for 2 months #	4.80	4.80	4.80	4.80
7.	Interest Charges for 2 months @ 11.75% p.a. on MSP, Statutory charges and Mandi labour charges	27.23	28.03	27.23	28.03
8.	Milling Charges excluding transportation charges upto 8 kms on each side from mills for paddy as well as rice	10.00	10.00	20.00	20.00
9	Administration charges @ 1% of MSP for central pool stocks only	13.60	14.00	13.60	14.00
<b>10</b>	<b>Cost of 1 qtl. of paddy</b>	<b>1468.37</b>	<b>1510.57</b>	<b>1464.77</b>	<b>1506.57</b>
10.	Out turn ratio	67%	67%	68%	68%
<b>11.</b>	<b>Sub-Total</b>	<b>2191.60</b>	<b>2254.58</b>	<b>2154.07</b>	<b>2215.54</b>
12.	Cost of new gunny bags ^^	86.00	86.00	86.00	86.00
13.	Gunny Depreciation**	34.40	34.40	34.40	34.40
14.	<b>Cost of 1 qtl. Of rice</b>	<b>2312.00</b>	<b>2374.98</b>	<b>2274.47</b>	<b>2335.94</b>

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**Dated: 4.2.2015**

(Sanjay Kumar)  
Under Secretary to the Government of India

No.192(31)/2014-FCA/Cs

Government of India

Department of Food and Public Distribution

**Provisional economic cost rates** pf Custom Milled Rice (FAQ) retained for distribution under decentralized procurement operations during the Kharif Marketing Season 2014-15 in respect of Govt. of Karnataka and its agencies

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(₹/qtl.)

S. No.	Item of incidentals	Raw Rice		Parboiled	
		Common	Grade A	Common	Grade A
<b>A.</b>	<b>ACQUISITION COST</b>				
1.	Cost of CMR	<b>2312.00</b>	<b>2374.98</b>	<b>2274.47</b>	<b>2335.94</b>
<b>B</b>	<b>DISTRIBUTION COST</b>				
2.	Storage charges @₹ 6.00 per qtl. per month for 4 months	24.00	24.00	24.00	24.00
3.	Handling and Transportation Charges	3.72	3.72	3.72	3.72
4.	Interest charges @ 11.75%p.a. for 4 months on acquisition cost minus interest	89.49	91.92	88.02	90.39
5.	Transit and Storage loss @ 0.35% of acquisition excluding cost of gunny bags and gunny depreciation	7.67	7.89	7.54	7.75
6.	Administrative charges @ 2.5% of MSP 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	50.75	52.24	50.00	51.47
7.	Total Distribution	<b>175.63</b>	<b>179.77</b>	<b>173.28</b>	<b>177.33</b>
<b>C</b>	<b>Economic Cost of CMR</b>				
8.	Acquisition cost+ Distribution cost (A+B)	<b>2487.63</b>	<b>2554.75</b>	<b>2447.75</b>	<b>2513.27</b>

Note:

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

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

Dated: 4.2.2015

(Sanjay Kumar)

Under Secretary to the Government of India