

**No. 192 (15)/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: 19<sup>th</sup> November, 2014.

To,

The Secretary,  
Food & Civil Supplies Department,  
Government of Madhya Pradesh  
Bhopal.

Subject: Fixation of the **provisional** rates and economic cost of Custom Milled Rice (CMR) (FAQ) and cost of new 50 kg. Gunny Bags used by the Government of **Madhya Pradesh** and its agencies for the procurement of Custom Milled Rice(FAQ) for the DCP Scheme 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 DCP Scheme respectively under the price support operation to the Government of **Madhya Pradesh** and its agencies during the Kharif Marketing Season **2014-15**

**For Central Pool**

Economic Cost for the stocks of CMR retained by the State Government for distribution under the Central Pool scheme (Item wise details of the economic cost are enclosed at Annexure-I):

(₹/qtl.)

Commodity	For Gunny bags	
	Common	Grade 'A'
Raw-rice	2354.11	2418.05
Par-boiled Rice	2315.96	2378.37

(For central pool stocks for transportation of paddy from purchase centres/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 Operations**

Economic Cost for the stocks of CMR retained by the State Government for distribution under the DCP scheme (Item wise details of the economic cost are enclosed at Annexure-II):

(₹/qtl.)

Commodity	For Gunny bags	
	Common	Grade 'A'
Raw-rice	2676.14	2744.22
Par-boiled Rice	2634.24	2700.76

Note:

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

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 26.7.2013.

3. 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.

4. Milling charges have been allowed @Rs. 15.00 per qtl. for raw and Rs. 25.00 per qtl. for par-boiled rice, including transportation charges upto 8 kms from purchase centre to mill and from mills to FCI godowns on paddy as well as rice.

5. 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.

6. 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.

7. To ensure proper utilization of funds/subsidy being released by the Government of India, the FCI may insist on previous year's 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.

8. The 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 agencies for the FCI. These rates would not be benchmarked to fix rate for such parties.

9. This issues with the approval of the Integrated Finance Division vide their Dy. No.319264/FA/14 dated 17.11.2014.

**Dated: 19.11.2014**

Yours faithfully,

  
(Sanjay 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, Madhya Pradesh, Chetak Building, Maharana Pratap Nagar, Zone-II, Bhopal.
4. The Managing Director, MPCSC Lt. Bhopal.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10-Bahadur Shah Zafar Marg, New Delhi.
6. 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.
7. PS to JS(P&FCI)/Adviser(Cost)/DS(P&FCI)/DS(Finance)/US(Finance)/US FCA/Cs. (US/FCI)
8. Guard File.

  
(Sanjay Kumar)

Under Secretary to the Government of India

No.192(15)/2014-FC/Acs.

Government of India

Department of Food and Public Distribution

Provisional Rates of Custom Milled Rice (FAQ) delivered to FCI for Central Pool during the Kharif Marketing Season 2014-15 in respect of Govt. of Madhya Pradesh and its agencies

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(₹/qtl.)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	Minimum Support Price (MSP)	1360.00	1400.00	1360.00	1400.00
2.	Statutory Charges				
	Market Fee @2%of MSP	27.20	28.00	27.20	28.00
	Nirashrit shulk @ 0.20%of MSP	2.72	2.80	2.72	2.80
3	Mandi Labour Charges (Handling Charges)@	14.68	14.68	14.68	14.68
4	Driage @1% of MSP	13.60	14.00	-	-
5	Commission to Societies *	31.25	32.00	31.25	32.00
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 @ 11.83% p.a. on MSP, Statutory charges and Mandi labour charges	27.69	28.50	27.69	28.50
8	Milling Charges including transportation charges within a distance of 8 kms on each side from mills for paddy as well as rice	15.00	15.00	25.00	25.00
9.	Cost of 1 qtl. of milled paddy	1496.94	1539.78	1493.34	1535.78
10	Out turn ratio	67%	67%	68%	68%
11	Sub-Total	2234.24	2298.18	2196.09	2258.50
12	Cost of new gunny bags ^^	85.62	85.62	85.62	85.62
13	Gunny Depreciation for new gunnies**	34.25	34.25	34.25	34.25
14	Cost of 1 qtl. Of rice in new gunnies	2354.11	2418.05	2315.96	2378.37

\*Subject to conditions laid vide Deptt's letter no.192(4)/2003-FC A/cs (Vol-II) dated 26.7.2013.

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

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

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

@ destacking is not included in cost sheet as it is to be borne by farmers.

Dated: 19.11.2014



(Sanjay Kumar)

Under Secretary to the Government of India

**Annexure-II**

No. 192(15)2014 -FC/A/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 Government of Madhya Pradesh and its agencies**

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(₹/qtl)

S. No.	Item of incidentals	Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
1	<b>Minimum Support Price (MSP)</b>	1360.00	1400.00	1360.00	1400.00
2.	<b>Statutory Charges</b>				
	i) <b>Market Fee @2%of MSP</b>	27.20	28.00	27.20	28.00
	ii) <b>Nirashrit Shulk@0.20%</b>	2.72	2.80	2.72	2.80
3	<b>Mandi Labour Charges (Handling Charges)@</b>	14.68	14.68	14.68	14.68
4	<b>Transportation charges (for transportation of paddy from purchase centres to temporary storage point to mills from 8 kms onwards)</b>	60.90	60.90	60.90	60.90
5.	<b>Drriage @1% of MSP</b>	13.60	14.00	-	-
6	<b>Commission to Societies *</b>	31.25	32.00	31.25	32.00
7	<b>Custody &amp; Maintenance Charges @₹ 2.40 per qtl. per month for 2 months #</b>	4.80	4.80	4.80	4.80
8	<b>Interest Charges for 2 months @ 11.83% p.a. on MSP, Statutory charges and Mandi labour charges</b>	27.69	28.50	27.69	28.50
9	<b>Milling Charges including transportation charges within a distance of 8 kms on each side from mills for paddy as well as rice</b>	15.00	15.00	25.00	25.00
10	<b>Cost of 1 qtl. of milled paddy</b>	<b>1557.84</b>	<b>1600.67</b>	<b>1554.24</b>	<b>1596.68</b>
11	<b>Out turn ratio</b>	67%	67%	68%	68%
12	<b>Sub-Total</b>	<b>2325.13</b>	<b>2389.07</b>	<b>2285.65</b>	<b>2348.06</b>
13	<b>Cost of new gunny bags ^^</b>	85.62	85.62	85.62	85.62
14	<b>Gunny Depreciation for new gunnies **</b>	34.25	34.25	34.25	34.25
15	<b>Cost of 1 qtl. Of rice for gunny bags</b>	<b>2445.00</b>	<b>2508.94</b>	<b>2405.52</b>	<b>2467.93</b>

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

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

\* Subject to conditions laid vide Deptt's letter no.192(4)/2003-FC A/cs (Vol-II) dated 26.7.2013.

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

@ destacking is not included in cost as it is to be borne by farmers.

**Dated: 19.11.2014**



(Sanjay Kumar)

Under Secretary to the Government of India

**Annexure-II (Contd.)****No.192(15)/2014-FC/Acs.**

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 Government of Madhya Pradesh and its agencies**

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S. No.	Item of incidentals	(₹/qtl)			
		Raw Rice		Par-boiled Rice	
		Common	Grade A	Common	Grade A
<b>A. ACQUISITION COST</b>					
1	Cost of CMR for gunny bags	2445.00	2508.94	2405.52	2467.93
<b>B. DISTRIBUTION COST</b>					
2	Storage charges @ ₹ 6.14/qtl. per month for 4 months	24.56	24.56	24.56	24.56
3	Handling & Transportation charges	52.91	52.91	52.91	52.91
4	Interest Charges @ 11.83% p.a. for 4 months on acquisition cost minus interest charges	94.78	97.26	93.25	95.67
5	Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags and gunny depreciation.	8.14	8.36	8.00	8.22
6	Administrative charges @ 2.5% of MSP of paddy equivalent to 1 qtl. of rice for the quantity retained by the State Government for distribution under PDS.	50.75	52.24	50.00	51.47
7	<b>Total Distribution Cost</b>	<b>231.14</b>	<b>235.33</b>	<b>228.72</b>	<b>232.83</b>
<b>C ECONOMIC COST OF CMR</b>					
8	Acquisition cost+Distribution cost (A+B)	<b>2676.14</b>	<b>2744.22</b>	<b>2634.24</b>	<b>2700.76</b>

Note:

- (i) The Food Secretary of the State is required to give a certificate that the CMR has been kept under covered storage.
- (ii) 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: 19.11.2014**

(Sanjay Kumar)

Under Secretary to the Government of India