

No. 192(24)/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: 31st October, 2014.

To,
The Secretary,
Food & Civil Supplies Department,
Government of Tamilnadu,
Chennai.

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 **Tamilnadu** and its agencies for the procurement of Custom Milled Rice (FAQ) for the Central Pool and for 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 the Central Pool and DCP scheme under the price support operation to the Government of **Tamilnadu** 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>(Rs./qtl)</u> <u>Grade 'A'</u>
Raw-rice	2303.60	2366.79
Par-boiled rice	2266.04	2327.72

(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 kilometers 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>(Rs./qtl.)</u> <u>Grade 'A'</u>
Raw-rice	2500.60	2567.92
Par-boiled Rice	2460.40	2526.11

Note:

(i) **This costing is for new gunny bags only.**

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. 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 Rs.5.00 per qtl. as transportation charges upto 0-8 kms from the mills on each side both for 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 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. as per past practice.

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 agency or 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. P-319407 /AS&FA/2014 dated 29.10.2014

Dated: 31.10.2014

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-Tamilnadu, 5/54, Greams Road, Chennai-6.
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. Adviser (Cost)/Director(FC A/cs)/DS (Finance)/US (Finance)/US(FC.A/Cs)
7. Guard File.
8. NIC



(Sanjay Kumar)

Under Secretary to the Government of India

No.192 (24)/2014-FC-A/cs

Government of India

Department of Food and Public Distribution

Provisional Economic cost of Custom Milled Rice (FAQ) delivered to FCI for Central Pool during the Kharif Marketing Season 2014-15 in respect of Government of **Tamilnadu** 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)	1360.00	1400.00	1360.00	1400.00
2.	Mandi Labour Charges	4.69	4.69	4.69	4.69
3.	Driage @1% of MSP	13.60	14.00	-	-
4.	Commission to Societies *	31.25	32.00	31.25	32.00
5.	Custody & Maintenance Charges @ 2.40/qtl per month for 2 months #	4.80	4.80	4.80	4.80
6.	Interest Charges for 2 months @11.83% p.a. on MSP, and Mandi labour charges.	26.91	27.70	26.91	27.70
7.	Milling Charges including transportation charges within a distance of 0- 8 kms from the mill on paddy as well as rice.	15.00	15.00	25.00	25.00
8.	Administrative charges @ 1% of MSP for central pool stocks only	13.60	14.00	13.60	14.00
9	Cost of 1 qtl. of milled paddy	1469.85	1512.19	1466.25	1508.19
10	Out turn ratio	67%	67%	68%	68%
11	Sub-Total	2193.81	2257.00	2156.25	2217.93
12	Cost of new gunny bags^^	78.42	78.42	78.42	78.42
13	Gunny Depreciation for new gunnies\$	31.37	31.37	31.37	31.37
14	Cost of 1 qtl. of rice	2303.60	2366.79	2266.04	2327.72

Custody and maintenance charges would be released on production of a certificate by the State Government that these charges have been incurred by it. Restricted to State Govt. claim.

*Subject to condition laid down vide letter No. 192(4)/2003-FC A/Cs (Vol.II) dated 26.07.2013.

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

\$Gunny depreciation is for procurement of paddy in new gunny bags.

Dated: 31.10.2014


(Sanjay Kumar)

Under Secretary to the Government of India

No.192 (24)/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 the decentralised procurement operations during the Kharif Marketing Season 2014-15 in respect of Government of Tamilnadu 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)	1360.00	1400.00	1360.00	1400.00
2	Mandi Labour Charges (Handling Charges)	4.69	4.69	4.69	4.69
3	Transportation Charges for transportation of paddy from purchase centres to temporary storage point to mill beyond 8 km..	15.36	15.36	15.36	15.36
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/qtl per month for 4months #	9.60	9.60	9.60	9.60
7	Interest Charges for 4 months @11.83% p.a. on MSP, and Mandi labour charges.	53.81	55.39	53.81	55.39
8	Milling Charges including transportation charges upto 8 kms on each side from mills on paddy as well as rice.	15.00	15.00	25.00	25.00
9	Administrative charges @ 1% of MSP for central pool stocks only	13.60	14.00	13.60	14.00
10	Cost of 1 qtl. of milled paddy	1516.91	1560.04	1513.31	1556.04
11	Out turn ratio	67%	67%	68%	68%
12	Sub-Total	2264.04	2328.42	2225.46	2288.29
13	Transportation charges of rice beyond 8 kms from millers godown to storage point	4.91	4.91	4.91	4.91
14	Cost of new gunny bags ^^	78.42	78.42	78.42	78.42
15	Gunny Depreciation for new gunnies\$	31.37	31.37	31.37	31.37
16	Acquisition Cost of 1 qtl. of packed rice	2378.74	2443.12	2340.16	2402.99

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

* Subject to condition laid down vide 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 and railway freight.

\$ Gunny depreciation is for procurement of paddy in new gunny bags.

Dated: 31.10.2014.



(Sanjay Kumar)

Under Secretary to the Government of India

No.192(24)/2014-FC.A/Cs

Government of India

Department of Food and Public Distribution

Provisional Rates of Custom Milled Rice (FAQ) retained for distribution under decentralized procurement (DCP) operations during the Kharif Marketing Season 2014-15 in respect of Government of **Tamil Nadu** and its agencies

(Rs./qtl)

S. No.	Item of incidentals	Raw Rice		Par boiled Rice	
		Common	Grade-A	Common	Grade-A
A	ACQUISITION COST	2378.74	2443.12	2340.16	2402.99
1	Cost of CMR				
B	DISTRIBUTION COST				
2	Storage charges @ Rs. 6.14/qtl per month for 2 months	12.28	12.28	12.28	12.28
3	Handling charges	5.57	5.57	5.57	5.57
4	Interest charges @ 11.83% p.a. for 2 months on acquisition cost minus interest	45.32	46.54	44.58	45.77
5	Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags, gunny transportation and gunny depreciation	7.94	8.17	7.81	8.03
6	Administrative charges @ 2.5% of MSP of paddy equivalent to 1 qtl of rice or actual 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 cost	121.86	124.8	120.24	123.12
C	ECONOMIC COST OF CMR				
8	Acquisition cost + distribution cost (A+B)	2500.60	2567.92	2460.40	2526.11

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

(2) 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: 31.10.2014



(Sanjay Kumar)

Under Secretary to the Government of India