

No.192(17)/2014-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 the 31st October, 2014

To,

The Secretary,
Food & Civil Supplies Department,
Government of Uttarakhand,
Dehradun.

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 Uttarakhand and its agencies for the procurement of **Custom Milled Rice(FAQ)** for the Central Pool and 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)** for Central Pool & DCP Scheme under the price support operation to the Government of Uttarakhand and its agencies during the **Kharif Marketing Season 2014-15** item wise details of procurement incidental are annexed.

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 incidentals are enclosed at Annexure-I):

<u>Commodity</u>	<u>Common</u>	<u>(Rs./qtl.)</u> <u>Grade 'A'</u>
Raw- rice	2347.02	2411.20
Par-boiled rice	2308.90	2371.55

(For Central Pool stocks for transportation of rice from purchase centers/Mandis to mills and for rice from mills to storage godowns transportation charges beyond 8 km onwards will be payable based on the rates fixed by the District Collectors of the State of FCI's rate whichever is lower).

For DC P Operations:

(ii) 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):

<u>Commodity</u>	<u>Common</u>	<u>(Rs./qtl.)</u> <u>Grade 'A'</u>
Raw- rice	2593.16	2661.04
Par-boiled rice	2553.20	2619.49

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.

(ii) Since VAT Act has been implemented in the State, in addition to the above, VAT as applicable, will be payable as per the relevant provisions of the Act.

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 per qtl. for raw rice and @Rs.25 per qtl. for par-boiled rice (including transportation charges upto 8 kms. from the mills on each side from storage point to mills and from mills to 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 godowns 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 before release of incidentals on account of statutory charges i.e. Market Fee, RD Cess etc. as per past practice.

8. 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.

9. This issues with the approval of the Integrated Finance Division vide their Dy.No./FMS No.P-318716 /FA/ dated 30.10.2014 .

Yours faithfully,

Dated : 31.10.2014

(Sanjay Kumar)

Under Secretary to the Government of India

Tele: (011) 23073798

Copy to:

1. The Executive Director (Procurement), Food Corporation of India, 16-20, Barakhamba Lane, New Delhi-110001.
2. The Executive Director (Finance), Food Corporation of India, 16-20, Barakhamba Lane, New Delhi-110001.
3. Finance controller, Food & Civil Supplies Department, Uttarakhand.
3. The General Manager, FCI Regional Office-Uttarakhand, Dehradun.
4. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board –10 Bahadur Shah Zafar 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)/JS(P&FCI)/Director(FC.A/cs)/ DS(Finance)/US (Finance)/US Policy -I
7. Guard File.

(Sanjay Kumar)

Under Secretary to the Government of India

No.192(17)/2014-FC.A/Cs.

Government of India

Department of Food and Public Distribution

Provisional Rate of Custom Milled Rice (FAQ) delivered to FCI for Central Pool during the Kharif Marketing Season 2014-15 in respect of Government of Uttarakhand 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.	Statutory Charges:				
	(i) Market fee 2.5% of MSP	34.00	35.00	34.00	35.00
	(ii) VAT @5% *	*	*	*	*
3.	Mandi Labour Charges (Handling Charges)	8.70	8.70	8.70	8.70
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 @Rs.1.84 per qtl. per month for 2 months #	3.68	3.68	3.68	3.68
7.	Interest Charges for 2 months @ 11.83% p.a. on MSP, Statutory charges, Mandi labour charges\$.	29.00	29.85	29.00	29.85
8.	Milling Charges including transportation charges for 0-8 kms distance from mills on paddy as well as rice.	15.00	15.00	25.00	25.00
9.	Cost of 1 qtl. of milled paddy	1495.23	1538.23	1491.63	1534.23
10.	Out turn ratio	67%	67%	68%	68%
11.	Sub-Total	2231.69	2295.87	2193.57	2256.22
12.	Cost of new gunny bags ^^	82.38	82.38	82.38	82.38
13.	Gunny Depreciation for new gunnies @	32.95	32.95	32.95	32.95
14.	Cost of 1 qtl. Of rice	2347.02	2411.20	2308.90	2371.55

^Includes branding charges, safety stitch, cess, education cess, CST, inspection charges, addl. Departmental charges, octroi, interest and railway freight and restricted as per State Govt. claim.

* VAT as applicable at every stage will be payable as per the relevant legal provisions.

\$ Interest is allowed provisionally taking notional VAT @ 5% of MSP.

#Custody and Maintenance charges have been allowed as per the claim of State Govt. which would be released on production of a certificate by the State Govt. 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 26.07.2013.

@ Gunny depreciation provided is for procurement of paddy in new gunny bags.

Dated : 31.10.2014

(Sanjay Kumar)

Under Secretary to the Government of India

No.192(17)/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
Decentralized Procurement Operations during the Kharif Marketing Season 2014-15 in respect of
Government of Uttarakhand 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.	Statutory Charges:				
	Market fee 2.5% of MSP	34.00	35.00	34.00	35.00
	(ii) VAT @5% *	*	*	*	*
3.	Mandi Labour Charges (Handling charges)	8.70	8.70	8.70	8.70
4.	Transportation Charges for transportation of paddy from purchase centers to temporary storage points to mills beyond 8 kms.	10.39	10.39	10.39	10.39
5.	Driage @1% of MSP	13.60	14.00	-	-
6.	Commission to Societies **	31.25	32.00	31.25	32.00
7.	Custody & Maintenance Charges (CAP) @Rs.1.84 per qtl. per month for 2 months #	3.68	3.68	3.68	3.68
8.	Interest Charges for 2 months @ 11.83% p.a. on MSP, Statutory charges, Mandi labour charges.\$	29.00	29.85	29.00	29.85
9.	Milling Charges including transportation charges for 0-8 kms distance from mills on paddy as well rice.	15.00	15.00	25.00	25.00
10.	Cost of 1 qtl. of milled paddy	1505.62	1548.62	1502.02	1544.62
11.	Out turn ratio	67%	67%	68%	68%
12.	Sub-Total	2247.19	2311.37	2208.85	2271.50
13.	Transportation charges for rice (beyond 8 kms from mills to FCI godowns)	20.00	20.00	20.00	20.00
14.	Cost of new gunny bags ^^	82.38	82.38	82.38	82.38
15.	Gunny Depreciation for new gunnies@	32.95	32.95	32.95	32.95
16.	Cost of 1 qtl. Of rice	2382.52	2446.70	2344.18	2406.83

^^Includes branding charges, safety stitch, cess, education cess, CST, inspection charges, addl. Departmental charges, octroi, interest and railway freight and restricted to State Govt. claim.

* VAT as applicable at every stage will be payable as per the relevant legal provisions.

\$ Interest is allowed provisionally taking notional VAT @ 5% of MSP.

#Custody and Maintenance charges have been allowed as per the claim of State Govt. which would be released on production of a certificate by the State Govt. 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 26.07.2013.

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Dated : 31.10.2014

(Sanjay Kumar)

Under Secretary to the Government of India

No.192(17)/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 **Decentralized Procurement Operations** during the **Kharif Marketing Season 2014-15** in respect of Government of **Uttarakhand** and its agencies

A. ACQUISITION COST

1.	Cost of CMR	2382.52	2446.70	2344.18	2406.83
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B. DISTRIBUTION COST

2.	Storage charges @ Rs. 5.46 per qtl. per month for 4 months(covered)*	21.84	21.84	21.84	21.84
3.	Handling & Transportation charges	54.62	54.62	54.62	54.62
4.	Interest Charges @ 11.83% p.a. for 4 months on acquisition cost minus interest	92.24	94.72	90.76	93.18
5.	Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags, and gunny depreciation	7.94	8.16	7.80	8.02
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	34.00	35.00	34.00	35.00
7.	Total Distribution Cost.	210.64	214.34	209.02	212.66

C. ECONOMIC COST OF CMR


8.	Acquisition cost + Distribution cost (A+B)	2593.16	2661.04	2553.20	2619.49
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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 charge would be released on production of a certificate by the State Government that these charges have been incurred by it.

Dated : 31.10.2014


(Sanjay Kumar)
Under Secretary to the Government of India