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No.7/10/2013-PY-III
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

New Delhi, Krishi Bhawan
Dated the 21st March, 2014

OFFICE MEMORANDUM

Subject: Revised Guidelines (for allocation, distribution and disposal of coarsegrains procured by State agencies/FCI) regarding

Reference: This Department O.M. No.7/10/2013-PY-III dated 13th November 2013

The undersigned is directed to refer to the O.M. dated 13.11.2013 of this Department cited above and to convey the approval of following revised guidelines for allocation, distribution and disposal of coarsegrains procured by the State agencies/FCI in supersession of the guidelines issued by the said O.M. dated 13.11.2013 and any other instructions issued by the Ministry earlier in this regard:-

(i) Before the commencement of each Marketing Season, sufficiently in advance, the State Government should make an assessment of production, marketable surplus, price trend etc. of coarse grains covered under Minimum Support Price (MSP) and prepare a plan for their procurement towards Central Pool of foodgrains stock from the farmers at MSP in consultation with FCI, clearly indicating the proposed period of procurement. It shall be ensured that for any commodity the period should not extend beyond three months and it should also not go beyond one month from the end of normal period of harvesting of the concerned crop in the State. State Govt. should obtain prior approval of the Department of Food & Public Distribution (DFPD), Govt. of India on this plan. Any procurement done by the State Agencies without prior approval of the plan by DFPD will be treated as procurement not done for the Central Pool of FCI and State Government will deal with the concerned coarsegrain stocks on their own. In case, the finalization of procurement plan of the State Government or its agencies gets delayed or State Agencies concerned are not able to start their procurement operations timely as per approved plan or a need is otherwise felt for FCI also to step in to undertake procurement of coarse grains directly in any State in parallel to the procurement operations of the state agencies, on request of the State Government concerned, the

DFPD shall give directions to FCI also to start procurement operations directly, as soon as possible, by opening its own purchase centres and shall manage the procured coarse grains directly in Central Pool. Wherever required, FCI may engage Small Farmers' Agri-business Consortium (SFAC) as its Agency for procurement of coarse grains, as has already been decided separately by the Department. All payments to the farmers under such procurement operations will be made through account payee cheques or through online transfer by the procurement agency concerned.

(ii) The state agencies concerned shall provide a daily report of coarse grains procured by them, commodity-wise and District-wise, to the State Government and the Regional Office of FCI concerned in the prescribed manner with a copy to the FCI Headquarters for the entire duration of their procurement operations of coarse grains.

(iii) The State Government/ State Government agencies concerned will ensure that the coarse grains procured by them conform to the uniform specifications prescribed for the Marketing Season concerned for the commodities being procured and they are stored and preserved as per standard practices till their distribution, handing over to FCI or disposal in open market.

(iv) The coarse grains procured by the State Governments/ its agencies in a particular Marketing Season shall preferably be allotted by them for distribution under Targeted Public Distribution System (TPDS) or MDM/ ICDS Schemes within three months from the date of the end of procurement period of the concerned commodity in the State subject to the extent of their eligible allocation from the Central Govt. under an intimation to the General Manager (Region) concerned of FCI, FCI Hqs. And PD Division of DFPD. State Government will get provisional subsidy for this quantity of coarsegrains based on the provisional cost sheet approved by DFPD, as being given in the case of procurement and distribution of wheat or rice under DCP mode. Final claims of subsidy in this regard will be settled by FCI after finalization of costs by the Ministry as per procedure laid down for DCP States. Any excess quantity procured by them for Central Pool in that Marketing Season, which will not be required for allotment under the said Schemes, will be preferably handed over to FCI within a period of three months from the date of the end of procurement period in the State, if FCI makes a demand in this regard for making a supply to some other State after making a payment to the State agency concerned as per provisional acquisition cost approved by DFPD. At the end of the period of three months assigned for distribution or handing over of the coarsegrain stocks to FCI from the date of the end of procurement period, the balance quantity will be

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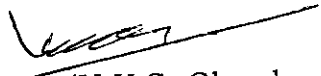
disposed off by the State Government concerned in the open market through tenders before the beginning of the next Marketing Season concerned (KMS or RMS, as the case may be) after the joint checking of quality of stocks by a team consisting of representatives of both FCI and State Govt./ State Agency concerned. The sale proceeds of such disposal will go to the State Government/ State Agency concerned and the losses incurred by the State Govt./ State Government Agencies in any such disposal of the coarse grains as against the approved final cost issued by DFPD based on the final claims of the State Government will be reimbursed to the State Government concerned through FCI. However, if any quantity of coarsegrains remains to be disposed off during this period i.e. at the end of the marketing season concerned, the Central Government will not bear the liability of losses for such quantity and same shall be borne by the State Government only. Further, any stock of coarsegrains of the State Government/ its agencies, which does not meet the FAQ norms, will not be taken over by FCI in Central Pool and the responsibility for disposal of such non-issuable stocks shall fully lie with the State Government concerned and any losses incurred on that count shall also have to be borne by the respective State Governments themselves.

(v) For disposal of issuable stocks of coarse grains in open market through tenders, a committee will be formed by the State Government, in which, one representative of quality control wing of FCI and one representative of Accounts Wing of FCI, as recommended by GM (Region) of FCI concerned, will be included. This committee shall be responsible for getting the quality of the stocks being offered for sale, ascertained through the Joint State-FCI Quality Confirmation Teams fixing the reserve price based on the prevailing market prices, approving the terms and conditions of the tender notice, evaluating the bids and making final recommendations for approval of sale. The sale will be approved by a competent authority as laid down under the orders of the delegation of powers prevailing in the State Government.

(vi) The quantity allotted by the State Government/ its agencies as per para (iv) above for distribution under TPDS or OWS against the eligible allocation of the State Government, will have to be distributed on priority to the beneficiaries and the combined allocation of wheat and rice to the equivalent extent shall stand automatically reduced. The allocation will accordingly be modified on records by the Department of Food & Public Distribution for the concerned months in the ratio of the two commodities, being allocated to the State Government concerned. The coarse grains procured in a particular month shall be slotted for distribution in such a manner by the concerned State Government that they can be consumed

within next three months itself and a monthly plan in this regard should be got prepared by the State Government and intimated to the BP&PD Division of the Department of Food and Public Distribution in advance.

(vii) FCI will keep a record of age-wise details of the coarse grains procured by them directly or through any other agency like SFAC, as well as the coarse grains handed over to them by the State Agencies on demand. These stocks will be allotted to various needy States from time to time based on their requests. However, if any coarse grains stock available with FCI lies unallocated for a period of more than three months from the date of end of the procurement period of concerned Marketing Season in the State, where such stock is located, it shall be disposed off in the open market through the tenders by the GM (Region) concerned of FCI before the beginning of the next Marketing Season concerned (KMS or RMS, as the case may be) under an intimation to the Government.


(U.K.S. Chauhan)

Joint Secretary to the Government of India
Tel No. 2338 2512

To

1. CMD, FCI, New Delhi
2. All Principal Secretaries/Secretaries of Food & Civil Supplies Department in State Governments/UTs
3. All EDs (Zone) of FCI
4. All GMs (Region) of FCI
5. Advisor (Cost), Director (Py-I), Director (FC A/c), US (PI Cell)
6. PS to Hon'ble Union Food Minister
7. PS to Secretary (F&PD)
8. PS to AS&FA
9. PS to JS (P&FCI)
10. PS to JS (BP&PD)
11. Guard File of PY-III Section

No.7/10/2013-Py.III(Pt)
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi
Dated: December 26, 2014

To

The Principal Secretaries/Secretaries,
Food & Civil Supplies Department,
Government of Andhra Pradesh, Telangana, Karnataka,
Maharashtra, Madhya Pradesh, Chhattisgarh, Punjab,
Haryana, Bihar.

Sub: Procurement of coarse grain in KMS 2014-15 – approval of procurement plan –reg.


Sir,

As you are aware, as per the existing guidelines dated 21.3.2014 regarding the procurement of coarse grain by the States, the State Government concerned have to prepare a plan for procurement of concerned coarse grain crop in the State for MSP operations in consultation with FCI clearly indicating the proposed period of procurement. Such a plan should invariably give the details of concerned commodity in the areas proposed for procurement, the market situation, proposed quantity of expected procurement, proposed number of purchase centres to be opened and details of arrangements regarding storage, transportation, packaging material, quality control etc. It is also to be kept in mind that procured quantity is to be used for distribution under TPDS in the State. Therefore, plan to utilize the procured quantity may also be spelt out. The State Government concerned should start procurement for Central pool only after taking prior approval of the plan from this Department.

2. As this Department has not received any plan of procurement from the State Governments concerned so far, it is presumed that market situation is normal and State Governments are not proceeding for procurement at the moment. Further, it is clarified that if any State Govt. has started procurement of any of the coarse grain commodities or starts the same in coming period without obtaining prior approval of this Department on the plan of procurement, such a procurement will be treated outside the Central pool operations.

Thanking you,

Yours faithfully,


(U.K.S. Chauhan)
Joint Secretary (P&FCI)
Tel. No.23382512
Fax No.23389358

