

ANDHRA PRADESH STATE CIVIL SUPPLIES CORPORATION LIMITED
Regd. Office: 6-3-655/1/A, C S Bhavan, Somajiguda, Hyderabad -500 082.

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SRI K.RAMGOPAL, I A S.,
VC & MANAGING DIRECTOR.

CIRCULAR NO.182/MKTG

No.Mktg/M2/ 273/Rabi 2015-16

Date: 30.03.2016

Sub: APSCSCL – Marketing – Rabi 2015-16 Paddy Procurement
under MSP –operational guidelines issued – Reg.

Ref: G.O.Ms.No.23, dt:04.11.2015 of EOS, CA, F & CS Dept.,
Govt.of AP, Hyderabad along with operational guidelines.

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The Rabi Marketing season 2015-16 will commence from 1st April 2016. In view of the GOI decision to revise the levy procurement to No mill levy policy during the KMS 2015 –16 from the earlier system of 25%, there is every possibility of Corporation requiring to procure heavy quantity of paddy from the farmers to ensure MSP. Therefore, the following important instructions / guidelines are issued with regard to the steps to be taken to keep the CS Corporation in all preparedness for procurement of paddy from farmers under MSP operations during Rabi 2015-16.

I. Preparedness before commencement of procurement:

1. Registration of farmers:

- The registration of farmers has been started from KMS 2014-15 at respective PPCs and new farmers if any leftover during the last season may register this year KMS 2015-16 and the process may be undertaken.
- The documents like Pattadar Pass Book, letter from the Village Revenue Officer about tenancy and area covered under paddy are to be produced by him for his land while registration
- The land details and its ownership/tenancy / occupation by the crop shall be verified with reference to the web land portal of the Revenue department and e-Panta of Agricultural Department.

2. Publicity about the MSP:

- In order to ensure MSP and to protect the farmers from distress sale, there is a need to give wide publicity about the MSP rates, quality specifications for getting MSP, opening of the PPCs by the Government in villages. In view of this, it is advised to take all steps to create more awareness among the farmers through print & electronic media, banners, pamphlets, farmers clubs, tom-tom in village level. This will not only create the awareness among the farmers but also help farmers to bring their paddy upto the specifications of the GOI so that paddy procurement can go without any problems at PPCs.
- As per the operational guidelines for procurement of paddy issued by the State Government vide G.O.Ms.No.23, dt:04.11.2015, Pamphlets shall be printed by utilizing the funds earmarked for each AMC under the Sub- Head " Publicity". This publicity material be distributed to the farmers in coordination with the local officials.
- A campaign shall be launched in the villages through Panchayat Secretaries and Extension Staff of Agriculture Department to inform the farmers about the MSP FAQ specifications, measures to be taken by the farmers for bringing paddy to FAQ (Fair Average Quality)standards.

3. Opening of paddy procurement centres (PPCs):

- PPCs are to be opened nearer to paddy grown areas in consultation with Agriculture Department. Depending upon the paddy production and proximity of the villages, required no. of PPCs using the services preferably Velugu groups & PACS may be opened well in advance.
- While selecting PPC point enough care to be taken to ensure that the PPCs are opened at a place more convenient and central village may be selected so that farmers need not spend more money to bring their produce to the PPC.
- Arrangements have to be made by the HoDs of procuring agencies to make entries of paddy procurement transactions in software package developed by TCS at PPC level. Ensure availability of computers with computer knowledge personnel in all PPCs to enter the dynamic online data at PPC level to capture real time data.

4. Imparting of training:

- As the paddy procurement is increased significantly from KMS 2014-15, it is essential that the personnel working at PPCs should be provided sufficient refreshment training in advance in the methods of sampling and analysis of the paddy after finalization of PPCs.
- As there is possibility of new Velugu groups coming to take up paddy procurement due to increase in opening of no. of PPCs, training may be conducted at the earliest possible.
- As the paddy procurement is being undertaken with online system, separate training shall be imparted to the staff of procuring agencies for making entries and generation of necessary documents through online.

5. Providing of infrastructure by Marketing Dept. at all PPCs:

- Ensure availability of necessary infrastructure viz., paddy cleaners, moisture meters, weighing scales along with weights, callipers, tarpaulins, winnowing machines, polythene covers, etc., at all PPCs in co-ordination with AD., Marketing and HODs of procuring agencies and deficiency in numbers, if any, shall be purchased & provided well in advance by the Marketing Department
- All necessary infrastructures shall be positioned at all procurement centers of Velugu Groups / PACS / DCMS / ITDA / others well in advance.

6. Prescribed books & vouchers:

- Ensure supply of all prescribed books of accounts, purchase vouchers, gunny registers etc. to all PPCs of Velugu / PACS DCMS/ITDA etc well in advance. The stationary shall be supplied during training programme itself.

7. Man Power:

- The services of the experienced & retired Technical / Accounts / General staff of APSCSCL required for monitoring of paddy procurement operations viz., Inspection of quality, CMR deliveries and its reconciliation of paddy / Rice / Gunny accounts shall be engaged.
- The services of the staff from Agricultural, Revenue and other departments to supervise the transportation of paddy to designated rice mills/ intermediary godowns, if necessary, may also be considered

8. Gunnies:

- **8.1. Leftover new gunnies of KMS 2014-15:** GOI have accorded permission for utilization of leftover new gunnies of KMS 2014-15 for CMR deliveries of KMS 2015-16 vide F.No.15-4/2015-PY.III, dt.13.08.2015. Hence, the leftover new gunnies of KMS 2014-15 available in the districts shall be utilized immediately for CMR deliveries of KMS 2015-16 itself on priority basis since FCI will not accept CMR deliveries in the above gunnies during KMS 2016-17 due to change of colour coding every year. The copy of permission letter of GOI can be accessed at Sl.No.181 from Circular Link on the home page of Corporation website www.apscsc.gov.in.
- **8.2. Collection of paddy released gunnies from rice millers:** GOI, vide Lr.No.15(2)/2013-Py.III, dt.24.05.2013, have accorded permission for utilization of leftover once used paddy gunnies of previous year, purchased through DGS & D only, for procurement of paddy in the immediate succeeding Khariff Marketing Season. Hence, necessary instructions may be issued to the concerned for collection of paddy released gunnies from the rice millers immediately duly following the guidelines issued vide Circular No.136/Mktg,dt:28.06.2013, Circular No.123/Mktg,dt:20.12.2012 and Circular No.100/Mktg dt.17.01.2012 which can be downloaded from Corporation website.
- **8.3. Positioning of new & once used gunnies in 50: 50 ratio:** As per the GOI instructions, procurement of paddy may be made in new and once used gunny bags in 50:50 ratio. Accordingly, the new and once used gunnies shall be positioned in all PPCs in 50:50 ratio for purchase of paddy. PPCs may be directed to fill paddy in the same ratio in new and once used gunnies and despatch paddy in the same ratio to the millers so that the rice millers deliver the CMR in new gunnies and this arrangement will ensure maximum economy of the gunny cost. There shall not be any deviation.
- **8.4. Indent for gunnies:** New gunnies shall be indented to Head Office well in advance as per the above guidelines.
- **8.5. Preservation of gunnies:** Necessary steps shall be taken for preservation of new gunnies as directed by Head Office in Circular No. 88(Mktg.) dt.20.06.2011 till they are used for paddy purchases.

9. Appointment of Paddy transport contractors:

- Appoint division-wise paddy transport contractors before commencement of Rabi 2015-16 season with distance slabs of 0-8 KMs (rate per MT) and above 8 KMs (rate per MT per KM) by calling tenders and finalize the rates in District Procurement Committee at district level, if not appointed during Khariff 2015-16. As GOI is not

reimbursing the entire paddy transport charges and limiting to FCI rates which are very low, it is advised to take enough care while finalizing the rates.

- The transport contractors should be strictly instructed to mobilize required / sufficient no. of Lorries on daily basis to ensure that the entire paddy procured at PPCs is shifted to rice mills on daily basis.
- If necessary, keeping in view of work load in the division, more than one contractor can be appointed for the division with same rates.

10. MOU with paddy procuring Agencies (Velugu / PACs / RMGs/others):

- MOU shall be obtained from HoDs of procuring agencies for undertaking paddy procurement on behalf of APSCSCL before commencement of paddy purchases and a copy of the same shall be furnished to the Head Office for record.

11. Tagging of Rice Mills:

- The paddy procured at PPC's has to be immediately shifted to rice mills for custom milling as there will not be storage space with PPCs to store paddy. To transport paddy from PPCs to rice mills to avoid any damage to the paddy at PPCs due to natural vagaries there is need to tag PPCs to rice mills in advance.
- It is therefore advised to tag PPCs to rice mills duly taking into consideration of the distances from PPCs to rice mills to optimize transport expenditure.
- The paddy shall be transported to the designated rice mills proportionate to the milling capacity and at any circumstances the paddy shall not be moved more than milling capacity.
- The paddy shall be allotted to the trading mills only. If any allotments made to the non-trading / leased mills, precautionary measures towards security of the paddy shall be taken.
- No paddy shall be released to defaulted / black listed rice mills for custom milling.

12. Measurers to be taken before issuance of paddy to designated Rice mills for custom milling:

- **12.1. Individual Agreement with designated Rice Mills:** For ensuring safety of the paddy delivered to the rice millers for custom milling in advance, individual agreements may be taken from the rice millers duly incorporating the conditions prescribed at district level. Model agreement link is available on the home page of Corporation web site i.e. www.apscsc.gov.in.

- **12.2. Cash Security/ Bank Guarantee:** cash security / bank guarantee from designated rice mills shall be obtained before issue of paddy for custom milling as per the orders of State Government vide G.O.Ms.No.23, dt:04.11.2015 to safe guard the paddy stocks issued to millers. The paddy shall be issued to the millers equivalent to the value of the Bank Guarantee.
- **12.3. Joint Custody of paddy stocks:** The paddy stocks delivered to rice millers for custom milling should be kept under joint custody of the rice miller and local officer nominated by the Joint Collector to ensure security of paddy stocks. The District Administration shall constitute teams of Joint Custody Officers not less the cadre of DTs / RIs prior to shifting of paddy from PPCs to safe guard the paddy stocks stored in the individual designated rice mills. The main duty of JCOs are to inspect the designated rice mills in regular intervals once in a fortnight and to verify the paddy / CMR stocks physically and furnish the PV reports to the JC & EOEDs concerned. All designated rice mills shall be covered till the end of CMR operations completed and the action taken may be informed along with proceedings in the following proforma.

Sl.No.	Name of the Rice Mill & Village	Name of the Mandal	Name & designation of the local officer designated by the Joint Collector as Joint Custodian.

13. Pledging of paddy stocks:

- The Collector (CS) shall issue orders to all the bankers / private financial institutions not to hypothecate the paddy / custom milled rice pertaining to APSCSCL. The Government stocks cannot pledge by the rice millers to avail financial assistance / loans from any banks. Contrary to the orders shall be prosecuted besides recovery of the value of the stocks pledged / hypothecated. In such case, the banks / financial institutions may be warned not to extend loan facility to any rice millers on the Government stocks.
- The bankers should invariably obtain NOC from the DSOs & DMs, CSC concerned prior to sanction of loans to rice mills as per the provisions in orders of Government vide CCS.Ref.No.PI(1)/2/2012, dt.09.05.2012.

14. CAP Storage:

- Identification of places for CAP storage and arranging personnel to work as incharges to CAP storage and to ensure imparting necessary training on CAP and preservation of paddy stored in CAP.

II. After commencement of procurement:

- 1. Submission of reports:** To obtain reports from the PPCs on paddy procured, shifting to rice mills or intermediary godowns, balance paddy available, gunnies positioned, utilized and balance available, consolidated report and furnish report to Joint Collector & EOED / Head Office on the succeeding day without any delay.
- 2. Control Room:** Opening of control room in the District Office. The Assistant Manager (Tech./ Gen.) of APSCSCL is incharge to monitor shifting of paddy from PPCs and unloading at the designated rice mills or intermediary storage points to avoid delay in shifting of paddy from the PPCs.
- 3. Prompt payments to farmers:** To make arrangements for prompt payment to farmers within 48 hours for the paddy purchased at PPCs and made it mandatory through online transfer directly to the accounts of the farmers with the respective banks.
- 4. Delivery of CMR to CSC / FCI:** As per the guidelines issued during Khariff 2015-16, the Raw Rice under CMR shall be delivered to CSC and boiled rice under CMR to FCI. During the Rabi 2015-16, the revised policy for CMR deliveries is under circulation and it will be communicated shortly.
- 5. Entering of Purchase vouchers & CMR bills:** To obtain purchase vouchers from PPCs of procuring agencies, arrange for verification and ensure entries in OE – IV, as well as the entries of CMR bills date-wise / acknowledgement-wise in OE V.
- 6. No advance payment for paddy transport contractor:** No advance payment shall be made to paddy transport contractors. Payment shall be made on submission of acknowledgements. The contractors to be directed for claiming bills along with acknowledgements only and shall be finalized calendar month wise. Timely finalization of transportation bills is very vital to arrive at the correct quantity taken delivery from the procurement centers and delivered to the designated rice mills. Unless transportation claims are finalized immediately it will be difficult to arrive at the exact quantity of CMR to be delivered by the miller to the FCI /CSC.
- 7. Hamali charges:**
 - The PPCs incharges shall arrange mandi labourers for handling of paddy while accepting and the charges will be passed on to them for filling of accepted paddy into bags, weighment and loading into trucks as per the provisional costing sheet of GOI. In case the mandi labourers are engaged by the truck operators for handling of paddy at PPCs, then the PPC incharge shall pass on the mandi labour charges to them.

- The APSCSCL shall pass on the Mandi Labour Charges (MLC) @ Rs.5.01 per quintal for handling of paddy at PPCs as per the GOI cost sheet communicated for KMS 2015-16. They will be paid to HoDs of procuring agencies viz., PD-DRDA, DCO-PACs etc. who in turn will make hamali payments through online. A certification shall be obtained from HoDs of procuring agencies in confirmation of disbursement of hamali charges for handling of paddy along with acquittance to produce in the claims to be preferred with FCI.
- 8. Claiming of paddy transportation charges from FCI:** The FCI will reimburse paddy transportation cost for the distance beyond 8 KMs at the rates approved by the District Collector or FCI whichever is less. Therefore paddy transport cost reimbursement bills shall be claimed from the FCI, Area Office on monthly basis, soon after finalizing bills of the transport contractor.
- 9. Claiming of CMR bills:** To obtain acknowledgements against CMR (Raw / Boiled rice) deliveries made to FCI by the millers and prefer the claims with FCI immediately to realize amounts to reduce financial burden on CSC. The details of amounts withheld by the FCI shall also be collected along with payment from the FCI for supplementary claims for amounts withheld by the FCI duly furnishing the required Utilization Certificate and other information.

III. After completion of procurement:

- 1. Final reconciliation of paddy & gunny account:** Reconciliation of paddy and gunny account shall be completed within 15 days after closure of purchases for the season.
- 2. Release of Commission to procuring agencies:** To release 80 % of the commission to procuring agencies as 1st instalment for the quantities of paddy confirmed by the rice mills in token receipt of paddy for custom milling @ Rs.32/- per quintal for Grade.A variety & Rs.31.25 per quintal for Common variety and the balance 20% is to be released after reconciliation of complete paddy & gunny accounts.
- 3. Finalization of custom milling bills of Rice Millers:** This is one of the most important aspect as recovery towards cost of CMR short delivered, shortages of gunnies, quality cuts recovered by FCI, value of Grade difference in CMR etc are to be effected from CMR charges payable to rice millers. Therefore the rice millers are to be directed to claim custom milling bills within 15 days from the date of completion of CMR deliveries to FCI / CSC. If millers fails to claim the bills, their accounts shall be finalized basing on the records available. All custom milling bills shall be finalized within one month after delivery of CMR.

4. Rendering of Paddy KMS accounts: Rendering of accounts for the Kharif and Rabi to Head Office in the prescribed proformae along with necessary documents after completion of all transactions.

The above instructions are only indicative but not exhaustive. All GOs, Circulars and other instructions issued in this regard shall be followed scrupulously.

All the Joint Collectors and District Managers of APSCSCL shall take proactive action in paddy purchases under MSP operations and any slackness will be viewed with displeasure.

The receipt of the Circular shall be acknowledged by return of post.

SD/-K.RAMGOPAL
VC & MANAGING DIRECTOR

To

All Joint Collectors, A.P. State.

All District Managers, APSCSCL, A.P. State.

Copy submitted to the CCS & EOS, Govt.of A.P, Hyderabad for
favour of information.

Copy to all District Collectors, A.P. State for information.

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30/3/14

GENERAL MANAGER (PDS & MKTG)

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