

**GOVERNMENT OF ANDHRA PRADESH**

O/o the Commissioner of Civil Supplies,  
Andhra Pradesh, Hyderabad.

Sri Sanjay Jaju, IAS.,  
Commissioner of Civil Supplies and  
Ex.Officio Secretary to Government.  
Consumer Affairs, Food & Civil Supplies Dept.

**CIRCULAR. MKTG.NO.61.**

Lr.No.Mktg.M2/7446//2008-09/Paddy.

Date:31.10.2008.

Sub: - APSCSCL- Marketing - Procurement of Paddy under  
MSP during KMS 2008-09 – IKP Groups – Further  
Instructions issued - Reg.

Ref:- VC & MD, APSCSCL, Cir.No.60 (No.Mktg.M2/7446//2008-  
09/Paddy, dtd.22.10.2008).

-0-

In continuation of the circular instructions issued by the VC & Managing Director, APSCSCL, Hyderabad vide reference 1<sup>st</sup> cited, on the Procurement Policy of Paddy and Rice for KMS 2008-2009, the following further instructions are hereby issued

1. The operational guidelines issued in the GO Ms.No.38 CA, F & CS(CS.I) Dept., dtd.24.9.2008 and communicated vide this Office Cir.No.48, dtd.5.10.2007 for procurement of Paddy under MSP through IKP Groups for KMS 2007-2008 shall be followed for procurement of paddy during KMS 2008-2009 also.
2. Govt. of India has communicated the Incentive Bonus of Rs.50/- per quintal of paddy procurement during KMS 2008-2009 over and above the MSP of Rs.850/- per qtl. and Rs.880/- per qtl. in respect of Common and Grade-A varieties respectively. subject to the condition that State Govt. shall fully exempt the bonus amount from all State Taxes and levies.
3. The Corporation shall also procure paddy under MSP with the help of Self Help Groups by opening IKP Centres at the locations wherever absolutely necessary, with reference to the paddy production, viability, road connectivity, etc. and wherever the farmers are not getting MSP for their produce.

4. The role of IKP Group is limited to procurement of paddy mainly from the small and marginal farmers at field level. The IKP groups have to procure FAQ paddy only and they have to take all necessary steps for preservation of paddy stocks and handing over of stocks to APSCSCL.
5. The procured quantities from IKP Centres have to be transported to the identified rice mills directly for simultaneous custom milling without storage, by the District Managers, APSCSCL.
6. If IKP and APSCSCL are jointly doing the MSP operations, there is an imperative need to inform the farmers and IKP Groups that the release of money from the Corporation will take a maximum period of 30-45 days or it can be released immediately on realization of CMR from FCI, whichever is earlier.
7. Due to funds constraint in APSCSCL, the procurement of paddy should be limited to such an extent and intervene wherever the farmers are not getting MSP. If the procurement is done as in the case of last year i.e., KMS 2007-2008 with IKP, the District Collectors should mobilize funds locally and also may arrange credit to the IKP Groups under "Pavala Vaddi Scheme" for initial working capital, to make payments to the farmers by the IKP immediately in between the period of adjustment of funds from the day of procurement of paddy to the day of delivery of CMR to the FCI and the release of funds to the District Managers, APSCSCL.
8. The District Collectors should personally ensure that the overall operating cycle is brought to bare minimum so as to bring the conversion costs down and minimize the working capital. The discussions with the local Rice Millers and binding them over to such deadlines should be part of this engagement.
9. Payment of cost of paddy shall be made to the PD, DRDA immediately after realization of cost of CMR from the Food Corporation of India by the District Manager, APSCSCL.
10. The District Managers are requested to send provisional incidental expenditure to be incurred on procurement of paddy to Head Office for taking necessary action.
11. The storage losses, if any, soon after liquidating the paddy stocks at PPCs / IKPCs shall be noted for taking necessary remedial measures to fix up responsibility for recovery of the value of loss of paddy.
12. Reconciliation of Paddy Account shall be done immediately after movement of paddy to the Rice Millers from the PPCs / IKPCs.

13. Commission to the Societies shall be paid @ 1.5% on the MSP value of stocks procured by the IKP Groups and certificates to that effect received from the DRDA, after realization from the FCI.
14. The District Managers shall furnish storage loss/gain details in the prescribed proforma after completion of the season i.e., Kharif / Rabi.
15. Joint Collectors shall closely monitor and ensure realization of CMR cost from FCI for the paddy purchased from the farmers, as stipulated in the GO Ms.No.40 CA, F & CS(CS.I) Dept., dtd.13.10.2008.

**Sd/- Sanjay Jaju**  
COMMISSIONER OF CIVIL SUPPLIES AND  
EX.OFFICIO SECRETARY TO GOVERNMENT

/t.c.f.b.o./

GENERAL MANAGER (Mktg.)

To  
All the District Collectors.  
All the Joint Collectors & Ex.Officio Executive Directors, APSCSCL.  
All the District Managers, APSCSCL.  
Copy to all the Zonal Managers, APSCSCL.  
Copy to all General Managers – APSCSCL- HO.  
Copy to the Commissioner of Civil Supplies, A.P., Hyderabad.  
Copy to the Director of Civil Supplies, A.P.,Hyderabad.  
Copy to the Chief Executive Officer, SERP, Hyderabad.  
Copy to the Commissioner of Marketing/Agriculture/I & PR, A P Hyderabad.