

Fax : 040-23310474
Telex : 0425-6356 FOOD IN
Grams : STATE FOOD
Post Box No.: 1527



Phone: Managing Director: 23310973
Office: 23310173
23312104
23310659

The Andhra Pradesh State Civil Supplies Corporation Ltd.

(A State Government Undertaking)

Regd. Office: 6-3-655/1/A, Civil Supplies Bhavan, Somajiguda, HYDERABAD -500 082

SMT. B.UDAYA LAKSHMI, IAS.,
VC & MANAGING DIRECTOR.

CIRCULAR. MKTG.NO.71.

Lr.No.Mktg.M2/4736//2009-10/Paddy.

Date:21.11.2009.

Sub:- APSCSCL- Marketing - Procurement of Paddy under
MSP during KMS 2009-10 - Instructions issued - Reg.

- Ref:-
1. GO Ms.No.56, CA, F & CS (CS.I) Dept., dtd.30.10.2009.
 2. HO Cir.No.48 (Mktg.M2/10021/2007-8/Paddy,
dtd.5.10.2007 (Operational Guidelines issued in GO
Ms.No.38. CA, F & CS (CS.I) Dept., dtd.24.9.2007.
 - 3.HO Cir.No.67(Mktg.M2/7446/2008-09-Rabi, dtd.9.5.2009.
 4. GOI Lr.No.8(1)/2009-PY-I, dtd.1.11.2009 (CCS Ref.
No.P1(1)/6466/2009 dtd.7.11.2009).
 5. CCS Ref.No.P1(1)/3428/2009, dtd.20.11.2009.

-0-

In the reference 1st cited, Government of Andhra Pradesh has issued orders on the Procurement Policy for Kharif Marketing Season 2009-10. A copy of the GO 1st cited along with the operational guidelines for procurement of paddy communicated vide reference 2nd cited are enclosed herewith. The salient features contained in the G.O. cited are detailed below:

1. MINIMUM SUPPORT PRICE:

Price per quintal of Fair Average Quality of paddy

Grade - A	: Rs.980/-
Common	: Rs.950/-

2. BONUS:

Govt., of India vide reference 3rd cited has communicated the Incentive Bonus of Rs.50/- per quintal of paddy over and above the MSP of Rs.950/- per quintal and

Rs.980/- per quintal in respect of Common and Grade-A varieties respectively, subject to the condition that the State Government shall fully exempt the bonus amount from all State Taxes and levies.

3. PADDY SPECIFICATIONS:

Paddy shall be in sound merchantable condition dry, clean, wholesome of good food value, uniform in colour and size of grains and free from moulds, weevils, obnoxious smell, Argemone maxicana, Lathyrus sativus (Khesari) and admixture of deleterious substances. Paddy will be classified into Grade-A and Common groups.

Schedule of specification.

SI.No	Refractions	Maximum Limits(%)
1	Foreign matter a) Inorganic b) Organic	1.0 1.0
2	Damaged, discoloured, sprouted and weevilled grains.	4.0
3	Immature, Shrunken and Shrivelled grains	3.0
4	Admixture of lower class	7.0
5.	Moisture	17.0

4. OPERATIONAL GUIDELINES:

Operational guidelines for MSP operations for paddy during KMS 2007-2008 communicated vide reference 2nd cited are the same for KMS 2009-10.

5. TARGET FOR PROCUREMENT:

The APSCSCL has to make arrangements for procurement of 7.50 lakhs Mts of paddy in Kharif and Rabi Season in the districts allotted.

6. SELF HELP WOMEN GROUPS:

The APSCSCL should procure Paddy by opening Paddy Procurement Centres at required places and also with the help of Women Self Groups of IKP in paddy growing districts as per the districts allotted by the Commissioner of Civil Supplies depending on the availability of experienced and active SHGs as mutually decided by the VC & MD, APSCSCL and Chief Executive Director, SERP.

7.CUSTOM MILLING OPERATIONS:

The Rice Millers should undertake simultaneously the custom milling of paddy procured by the APSCSCL, as per the agreed terms and conditions and at the rates and

norms fixed by the Govt. of India. The Collectors shall allot paddy purchased at PPCS / SHGs of IKP to the nearest Mills for CMR based on the milling capacity for immediate custom milling without storing the paddy. The Rice Millers, within 15 days from the date of receipt of paddy, shall complete custom milling of paddy and deliver the resultant rice either as raw rice or boiled rice as prescribed by the Government for the paddy handed over during the KMS 2009-10 by the APSCSCL. The Collectors shall direct the Rice Millers to mill the paddy handed over to them and deliver custom milled rice to the FCI along with the Levy Rice if necessary by fixing a ratio between the mill levy delivery and the custom milled rice delivery. The Collectors shall review the entire process of custom milling operations regularly and take necessary action against the rice millers, who fail to do custom milling of paddy procured by the APSCSCL / Self Help Women Groups of Indira Kranthi Pathakam, duly following the procedure in vogue. In cases of failure by rice millers in converting the paddy to rice within the stipulated time, the Collectors shall furnish to the Food Corporation of India, the details of defaulters together with mill-wise quantities given for custom milling, quantity milled and the quantity yet to be milled, so that the Food Corporation of India shall deduct the equivalent quantity of resultant rice for the paddy yet to be milled against the levy rice being delivered by such rice miller.

8. TRANSPORTATION OF PADDY TO THE NEAREST DISTRICT:

In case of any delay in custom milling of paddy due to non-availability of adequate capacity of rice milling industry in the district, the paddy may be transported to the nearest district for immediate custom milling. For example, the paddy procured at Mahabubnagar district may be transported to Kunrool district or Rangareddy district and the paddy procured at Adilabad district may be transported to Karimnagar district or Nizamabad district for custom milling. The expenditure incurred by the APSCSCL shall be booked to the MSP operations of paddy and the same shall be included in the audited accounts of KMS 2009-10, so that the Govt. of India will be requested for reimbursement of the same.

9. INFRASTRUCTURE:

At all the purchase centres, required number of paddy cleaners, moisture meters, calipers, winnowing machines, tarpaulins, stitching machines and weighing scales (electronic) have to be positioned. In case of centers set up by the SHGs of IKP, the Marketing Department has to position necessary infrastructure available within the district or other-wise from the neighbouring districts.

10. UNIFORM HAMALI CHARGES:

The Collectors shall fix uniform Hamali charges in the entire district by conducting meeting with the Hamali Unions, Secretaries of AMCs and Procuring Agencies. The Hamali Charges should include weighment, stitching and stacking / loading at PPCs / AMCs. The Hamli Charges, thus, fixed will have to be borne by the APSCSCL at PPCs.

11. DISTRICT PROCUREMENT COMMITTEE:

The Collectors shall constitute a District Procurement Committee with the Joint Collector as Chairman with District Level Officials of all connected departments, namely, Agriculture, Marketing, Civil Supplies, Transport, DRDA, ITDA, I&PR, Warehousing Agencies (CWC, SWC), Procurement Agencies (FCI, APSCSCL) and also Sub-Collectors / RDOs as members to coordinate and decide on all activities and monitor the work on day-to-day basis as per the operational guidelines.

12. PUBLICITY:

Wide publicity of the location of the Paddy Procurement Centres, specifications of FAQ paddy, MSP including Bonus should be given through press and pamphlets, leaflets and electronic media besides organizing extensive training programme and relevant operational details printed by the District Administration should be distributed to the farmers in coordination with the Marketing Department.

In the reference 5th cited (copy enclosed), the Commissioner of Civil Supplies and Ex.Officio Secretary to Government has also issued further instructions for undertaking paddy procurement operations during KMS 2009-10 by the Food Corporation of India and A.P. State Civil Supplies Corporation Ltd., with the help of Women Self Groups of IKP at field level for the benefit of the marginal farmers in getting MSP for their produce smoothly and effectively.

Thus, the following instructions are hereby issued to all the Joint Collectors & Ex.Officio Executive Directors and District Managers for smooth paddy procurement operations during KMS 2009-10.

1) Opening of Paddy Procurement Centres.

The Joint Collectors & EOEDs should insist the Rice Millers Association for procurement of paddy at the regulated markets, notified markets, godown points including CWC & SWC godowns and rice mill premises as declared by the Marketing Department for the purpose of purchase of paddy.

The Civil Supplies Corporation shall open paddy purchase centers by itself or through IKP groups at such locations, where the centres are absolutely required and where the farmers are not getting MSP for their produce, till allocation of paddy Procurement District between the Food Corporation of India and A.P. State Civil Supplies Corporation is finalized and as decided by the District Collector. The Food Corporation of India will open PPCs at regulated Market Yards and Agricultural Market Committee Yards. , as decided by the District Collector.

2) Role of IKP Groups:

The role of IKP Groups is limited to procurement of FAQ paddy only from the small and marginal farmers at field level. The procured quantities from IKP Centres have to be transported to the identified rice mills directly for simultaneous custom milling without storage by District Manager, APSCSCL.

3) Period of Procurement.

The MSP operation of paddy shall be for a period of 75 days. For each district, depending upon the harvesting and arrival of paddy, the Collector will decide and notify the date from which MSP operation will commence for 75 days.

4) Identification of Farmers.

Farmers shall be insisted upon to bring Pattadar Pass Books along with them for quick disposal of their produce. Particular attention shall be paid to the problems of small and marginal farmers in speedy disposal of their produce. The farmers shall be informed not to go for distress sale of FAQ paddy at all.

5) Regulation of Paddy Arrivals.

Village-wise arrival schedule should be informed through beat of drum (tom tom) for the benefit of the farmers. This shall also be prominently indicated at conspicuous place in the Paddy Purchase Centres. This work is entrusted to Mandal Revenue Officers concerned in consultation with Mandal Agricultural Officers and Secretaries, AMC concerned.

6) Availability of required number of gunnies:

The District Managers shall utilize the once used gunnies available with the Corporation to start with. As the Corporation has decided to purchase new jute gunnies from DGS&D, Kolkata, all the District Managers should assess the actual requirement of new gunnies in their respective districts for Kharif & Rabi 2009-10 and place indents with the Head Office much in advance for placing orders and supply of gunnies from the Jute Factories on which allocations are made.

However, in case of dire necessity, Gunnies may be taken (1) from FCI on loan basis/ outright purchase basis; (2) purchase once used gunnies from FP Shop dealers at the rates duly approved by District Procurement Committee; (3) from GCC at the approved rates. **The purchase of once used gunnies from private parties / traders through Tender process is not allowed.**

7) Deployment of staff.

To facilitate smooth and easy procurement, required number of staff shall be deployed as per the need indicated by the District Collector, by deputation from other departments apart from Corporation staff.

8) Accountability.

The employees at the purchase centres shall be accountable for quality, quantity and maintenance of proper accounts.

9) Handing over of paddy to the Designated Rice Mills.

Paddy purchased by the Corporation shall be handed over to the nearest designated rice mills for custom milling as per the agreed terms and conditions and at the rates and norms fixed by the Government of India. The paddy should be handed over against either advance delivery of rice or against the undertaking given by the Rice Millers Association of the concerned District or area. The system of Bank Guarantee or collateral security equivalent to paddy delivered to be taken from the individual rice millers as one of the mechanisms to ensure security of stocks.

10) Trading Mills as Storage Points. (Ref.3rd cited).

The Joint Collectors & EOEDs shall declare all the trading Rice Mills in the districts who are participating in the Custom Milling operations, as storage points, for storage of paddy supplied to the Rice Millers for undertaking custom milling on behalf of APSCSCL, duly giving full data i.e., name of the rice mill and address, extent of space earmarked for storage as ordered by the State Government. The Miller shall ensure that the storage of paddy stocks of the Corporation separately from that of his own purchased paddy stocks by erecting a physical barrier such as a boundary wall or a proper and durable fencing. An acknowledgement shall be obtained from the Rice Miller for claiming storage charges with the FCI.

11) Joint Custody of Paddy Stocks.

The paddy stock delivered to the Rice Mills for custom milling shall be under the joint custody of the miller and the local officer designated by the Joint Collector. A separate stock register should be maintained for this purpose. Proportionate paddy stocks should be delivered to the Rice Millers against the advance CMR delivered to the FCI, duly signed by the designated officer in the Stock Register. If the miller contravenes any of the conditions of the agreement entered with Civil Supplies Corporation, he will be blacklisted and proceeded against under the provisions of law.

12) Inspection.

In order to ensure the safety and security of the paddy stocks and to ensure the delivery of custom milled rice by the millers in time and at the stipulated ratio fixed for levy and CMR, the District Enforcement staff such as DT(CS), MRI etc. should be directed to inspect the rice mills under their jurisdiction for making the millers adhere to the orders of the Government in letter and spirit.

13) Appointment of Division-wise Transport Contractors.

Paddy purchased by the Corporation shall be handed over to Rice Mills. The transport contractors for transportation of paddy for each Division should be appointed by the District Procurement Committee duly keeping in view the rates of local Foodgrain Contractors and FCI rates in finalization of transportation rates. All

the District Managers shall furnish the list of transport contractors appointed by the District Committee to Head Office.

14) Finalization of Rates etc.

The District Procurement Committee should call for the tenders, finalise the rates duly following the norms and guidelines communicated by the Government and Head Office from time to time on the following:

- a) Procurement of once used gunnies through F.P.Shop Dealers /GCC.
- b) Transportation of paddy.
- c) Finalisation of uniform hamali charges.
- d) Fixation of rent for private godowns.

All the District Managers shall furnish the rates fixed on the above to Head Office with specific report.

15) Payment to Farmers.

The payment has to be made to the farmers through bearer cheques up to Rs.20,000/- and through Account Payee Cheques for more than Rs.20,000/-. 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. Payment of cost of paddy procured by the IKP Groups should be made to the PD, DRDA immediately after realization of cost of CMR from the FCI.

16) Mobilisation of funds locally:

Due to funds constraint in APSCSCL, 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 Groups immediately in between the period of adjustment of funds.

17) Reports to Head Office.

The District Managers shall furnish Daily Reports through AP Online and Fax before 1.00 PM on the next day for both the paddy procured at PPCs / IKPS without fail, so as to enable the Head Office to prepare consolidated report and furnish to Government by 3.00 PM, as was done during KMS 2008-2009. The District Managers should also send daily reports on paddy delivered to Rice Mills from PPCs / IKPCs for custom milling and rice delivered by the Rice Millers to FCI under CMR.

GENERAL:

- a) No complaints shall be received from the farmers for not purchasing the paddy at MSP on the flimsy grounds of non-availability of Incharges, gunnies, amount etc.
- b) The District Managers are requested to send provisional incidental expenditure to be incurred on procurement of paddy to Head Office for taking necessary action.
- c) 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.
- d) Reconciliation of Paddy Account shall be done immediately after movement of paddy to the Rice Millers from the PPCs / IKPCs.
- e) Commission to the Societies shall be paid @ 2.5% as fixed by the Govt. of India in the Costing Sheet on the MSP value of stocks procured by the IKP Groups, after reconciliation of paddy account and certificates to that effect received from the DRDA, on realization from the FCI.
- f) The District Managers shall furnish storage loss/gain details in the prescribed proforma after completion of the season i.e., Kharif / Rabi.
- g) The District Managers and Asst. Managers (Tech) shall visit all the PPCs at least thrice in a week on alternate days so as to check the quality and quantity and also to solve the operational problems, on daily basis by either of them.

The above circular instructions should be followed scrupulously and the District Managers are instructed to acknowledge receipt of the circular.

Encl: As above.

Sd/- B.Udaya Lakshmi
VC & MANAGING DIRECTOR.

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

GENERAL MANAGER (Mktg.)

To

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