

Annexure-13

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## 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

SRI I.S.SRI NARESH, IAS.,  
VC & MANAGING DIRECTOR.

### CIRCULAR. MKTG.NO. 48.

Lr.No.Mktg.M2/10021//2007-08/Paddy.

Date:5.10.2007.

Sub: - APSCSCL- Marketing - Procurement of Paddy under  
MSP during KMS 2007-08 - Instructions issued - Reg.

Ref: - GO Ms.No.38, CA, F & CS (CSI) Department,  
Dtd.24.9.2007.

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In the reference cited, Government of Andhra Pradesh has issued orders on the Procurement Policy of Paddy and Rice for KMS 2007-2008, duly communicating the operational guidelines for procurement of paddy under MSP by the A.P. State Civil Supplies Corporation Limited and also through Self Help Groups of "Indira Kranthi Pathakam" in all paddy growing districts depending upon the availability of experienced and active Self Help Groups to safeguard the interests of small and marginal farmers. A copy of GO along with the operational guidelines for procurement of paddy is enclosed herewith.

#### **MINIMUM SUPPORT PRICES:**

<u>Price per quintal of Fair Average Quality of paddy</u>	
Common	: Rs.645/-
Grade-A	: Rs.675/-

#### **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.**

Sl.No	Refractions	Maximum Limits(%)
1	Foreign matter a) Inorganic b) Organic	1.0
2	Damaged, discoloured, sprouted and weevilled grains.	1.0
		3.0

3	Immature, Shrunken and Shrivelled grains	3.0
4	Admixture of lower class	7.0
5.	Moisture	17.0

*Note: please see page 9 of GO.*

#### TARGET FIXED:

Sl.No.	Name of the Procurement Agency	Kharif akh Mts.	Rabi lakh Mts.
1	APSCSCL	5.0	5.0
2	FCI	2.5	2.5
	<b>Total</b>	<b>7.5</b>	<b>7.5</b>

#### THE SALIENT FEATURES OF OPERATIONAL GUIDELINES:

A.P State Civil Supplies Corporation will be the agency along with FCI of the Govt. of AP entrusted with the procurement of paddy under MSP and for its custom milling. APSCSCL will also tie-up with SHGs of IKP Groups for taking up procurement operations of paddy in consultation with the Chief Executive Officer, SERP.

##### 1. Purchase centres:

The district shall be the unit for opening of paddy purchase centers by the APSCSCL. In each district, the Corporation shall open as many paddy purchase centers as required depending upon the advance planning based on extent sown and expected yields and decided by the District Collector. In addition, as many IKP Centres as feasible at the village level to facilitate farmers to sell their produce at MSP rates near their farm gates shall also be opened.

##### 2. 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.

##### 3. Publicity:

Pamphlets indicating the MSP specifications, location of purchase centers and relevant operational details printed by the District Administration should be distributed to the farmers in coordination with the Marketing Department.

##### 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. 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. Equipment required for the procurement centers set up by APSCSCL / S.H.Gs. of IKP may be purchased as per requirement by placing before the District Level Committee.

### 6. Payment of Handling Charges:

Joint Collectors shall fix Mandi labour charges / handling charges at PPCs / IKP Centers uniformly in consultation with Marketing Department concerned duly keeping in view of the rates fixed by the Govt. of India so as to avoid any variations. During the KMS 2006-2007, Govt. of India have allowed Rs.4.58 per quintal of paddy.

In respect of IKP Centres, handling charges upto loading in the trucks have to be borne by the farmers. All the District Managers shall furnish as copy of the handling charges fixed to Head Office without fail.

### 7. 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 the conspicuous place in the Paddy Purchase Centres. This work is entrusted to MROs concerned in consultation with Mandal Agricultural Officer and Secretary, AMC concerned.

### 8. Handing over of paddy to the designated Rice Mills:

Paddy purchased by the Corporation including by IKP Groups 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 custom milling has to be simultaneously attended not later than 15 days by the rice millers along with the milling of paddy meant for delivery of levy. The paddy procured shall be delivered to the rice miller identified by the Joint Collectors concerned within 15 days positively from the date of procurement 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 is one of the mechanisms to ensure security of stocks but other mechanisms are also available in the hands of District Administration to regulate and control milling as well as custom milling activities. Hence, the best option as deemed fit may be decided and followed by the District Collector.

### 9. 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. 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.

**10. Monitoring of custom milling:**

Handing over of paddy and delivery of rice to FCI after custom milling shall be closely monitored by the Joint Collectors, Dist. Managers of the AP State Civil Supplies Corporation, District Supply Officers at District level and Revenue Divisional Officers, Mandal Revenue Officers and Deputy Tahsildars(CS) at field level. Millers who fail to comply with custom milling direction, shall be debarred from participating in levy operation.

**11. 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. to inspect the rice mills under their jurisdiction for making the millers adhere to the orders of the Government in letter and spirit.

**12. Allotment of paddy:**

There shall be no imbalance in allotment of paddy to the rice mills for custom milling. Paddy has to be moved as per the allotment orders issued by the Collectors for custom milling, keep in view the distance to be covered from the paddy purchase centre to rice mill, capacity of the rice mill, type of rice mill (raw/boiled), etc.

**13. 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 as well as on contract basis apart from Corporation staff. Further the Collectors may appoint retired employees by paying honorarium on contract basis or appointment of staff on contract basis or through outsourcing.

**14. Unit of business:**

Each District office of Civil Supplies Corporation shall be the unit of business centre. Profit and Loss Account shall be maintained district-wise and accountability to be fixed for correct implementation of operation of procurement. The District Managers and Zonal Managers shall work in coordination with District Collector, Joint Collector and other District Level Officials.

After completion of custom milling operations, the District Managers shall furnish Income and Expenditure Account and Stock Account to Head Office in the prescribed proforma.

**15. Accountability:**

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

**16. Appointment of Division-wise transport contractors:**

Paddy purchased by the Corporation including by the SHGs of IKP shall be transported to Rice Mills / storage godowns duly finalizing and following the rate contract. All the District Managers shall furnish the rate contractors appointed by the District Committee to Head Office.

**17. Delay in custom milling due to non-availability of adequate Rice Mills.**

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, with the approval of Government. The expenditure incurred by the A.P. State Civil Supplies Corporation shall be booked to the MSP operations of paddy and the same shall be included in the audited accounts of KMS 2007-08, so that the Government of India will be requested for reimbursement of the same.

**18. Training Programme:**

The District Managers shall arrange advance orientation and training programme for the staff/SHGs drafted to PPCs and IKPs in consultation with the district administration.

**19. Finalization of Rates etc.**

The District Level 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 and new gunnies.
- 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.

**20. Gummies:**

The District Managers shall make necessary arrangements for positioning required number of gunnies at PPCs and SHGs of IKP. The District Managers shall utilize the existing gunny bags in the first place. The District Managers shall assess the requirement of gunnies with reference to expected procurement and take steps for purchase of once used gunnies as usual from the local markets through District Purchase Committee. The District Managers shall request the Collectors to issue instructions to all the F.P. Shop Dealers to deposit once used gunny bags compulsorily in the empty truck, which is coming back after unloading the rice at the F.P. Shops in the respective routes at the uniform rate fixed by the Collectors. As per the GOI norms ratio of 50:50 new and once used gunnies shall be maintained. Regarding purchase of new gunnies by the District Level Committee, a meeting shall be convened for taking a decision to purchase gunnies either through DGS&D or through National Bidding preferably through e-procurement. The District Managers shall furnish the purchase details of gunnies and gunny account for every month without fail.

### **21. FAQ Specification of paddy.**

Farmers may not be allowed to wait for days for disposing of the paddy. The farmers may be educated to bring the paddy after drying and cleaning the dust etc., to conform to FAQ specifications and ensure MSP to the farmers. If the quality is not as per the specifications, the method of improving the quality shall be explained to the farmers properly.

### **22. Payment to Farmers.**

Payment shall be made to the farmers within 48 hours. Further 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/-. In case of paddy purchased through IKP groups, the amount shall be paid to the farmers through Project Director, D.R.D.A. **District Managers shall enter into MOU with PD, DRDA, IKP group.** District Managers shall ensure that modalities for funds transfer from CSC to DRDA and IKP are finalized locally by identifying Banks and ensure prompt payments based on the quantities acknowledged.

### **23. Market Fee:**

Market Fee will be paid to the Market Committees @ 1% on MSP i.e., Rs.67.50 and Rs.64.50 per Mt. for FAQ Grade-A and Common varieties respectively.

### **24. Commission.**

Commission for procurement operations of Paddy will be paid to the IKP @ 1½% on MSP for Grade-A and Common variety.

### **25. 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 PPC and also through IKP group's separately 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 2006-2007.

### **26. 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 and instructions from Head Office/ Collector etc.
- b) If any paddy purchase/IKP centre opened in open place, the paddy so procured may be shifted immediately to the nearest designated Rice Mill/ SWC/CWC/AMC godowns so that the paddy procured could be protected from any damage from heavy and sudden rains.
- c) The District Manager and Asst. Manager (Tech) shall visit all the PPCs/IKPs atleast thrice in a week on alternate days so as to check the quality and quantity on daily basis by either of them.

- d) The District Managers shall bring to the notice of the Joint Collectors to ensure that the millers shall deliver raw rice only, as it is useful to the FCI for delivery under PDS.
- e) The District Managers shall also bring to the notice of the Joint Collectors regarding storage losses, if any, soon after liquidating the paddy stocks and ensure necessary remedial measures to fix up responsibility for recovery of the value of loss of paddy duly following the procedure under intimation to Head Office.
- f) The District Managers shall furnish storage loss/gain details in the prescribed proforma after completion of each season i.e., Kharif and Rabi.
- g) The District Managers are permitted to hire one additional vehicle for sending inspection teams to PPC/IKP centers as per normal rules.

The above circular instructions should be followed scrupulously and acknowledge receipt of the circular.

Encl: GO No.38 Dt.24.9.2007

along with -

1. Operational guidelines.
2. Model MoU with IKP Groups
3. Model Proformae for maintenance of Registers by IKP Groups.

Sd/- I.S.Sri Naresh  
VC & MANAGING DIRECTOR

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

1. CA { dho } 5/10/07  
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 to the Commissioner of Civil Supplies, AP, 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.  
Copy to Sri K.P.Rao, State Project Advisor (Livelihoods-Marketing), SERP, Hyd.  
Copy to Sri S.A Majeed, State Project Advisor (Livelihoods-Marketing), SERP, Hyd.