

No.192 (28)/2014-FC.A/Cs.
Government of India
Ministry of Consumer Affairs, Food and Public distribution
Department of Food and Public Distribution

Krishi Bhavan, New Delhi
Dated the: 1st December, 2014

To,
The Secretary,
Food & Civil Supplies Department,
Government of Bihar,
Patna.

Subject: Fixation of the **Provisional** rates of **Custom Milled Rice (CMR) (FAQ)** and the economic cost of new 50 kg. Gunny Bags used by the Government of **Bihar** and its agencies for the procurement of Custom Milled Rice(FAQ) for the **Central Pool &** under **DCP** scheme during the **Kharif Marketing Season 2014-15.**

Sir,

I am directed to convey the approval of the Government of India for payment of the following **provisional rates of Custom Milled Rice (CMR) (FAQ)** and the economic cost for **Central Pool & DCP Scheme** under the price support operation to the Government of Bihar and its agencies during the **Kharif Marketing Season 2014-15.**

For Central Pool Operations

Incidentals for the stocks of CMR, which are handed over to the Food Corporation of India for the Central Pool (item wise details of procurement incidentals are enclosed at annexure-1):

| <u>Commodity</u> | <u>Common</u> | (Rs./qtl.) <u>Grade 'A'</u> |
|------------------|---------------|--------------------------------|
| Raw-rice | 2339.22 | 2403.35 |
| Par-boiled rice | 2301.51 | 2363.81 |

(For transportation of paddy from Mandi to storage point/Mill and storage point to mills, for rice from mills to storage point/FCI godown, transportation charges would be payable on the basis of rates fixed by District Collectors of the State or FCI's rate, whichever is lower from 0 KM onwards)

For DCP Operations

Economic Cost for the stocks of CMR retained by the State Government for distribution under the scheme of decentralised procurement operation ((Item wise details of the economic cost are enclosed at Annexure-II) :

| <u>Commodity</u> | <u>Common</u> | (Rs./qtl.) <u>Grade 'A'</u> |
|------------------|---------------|--------------------------------|
| Raw-rice | 2576.99 | 2644.37 |
| Par-boiled Rice | 2536.22 | 2601.99 |

Note:

(i) This costing is for new gunny bags only. In case procurement of paddy is done in once used gunnies, separate orders will be issued for the same.

2. The payment of commission to Societies will be subject to the conditions laid vide this Deptt.'s Order No. 192(4)/2003-FC A/cs. (Vol.II) dated 26.07.2013.
3. In addition to the above, the following elements/items are also to be reimbursed to the State Government:
 - (i) Guarantee Fee, if it is actually paid by the agencies to the State Government for obtaining credit, would be payable on actual basis, subject to a maximum of 1/8% of MSP worked out on the estimated quantity of paddy delivered to FCI procured under Price Support Scheme (PSS) for the Central Pool. No interest on delayed payment on this account will be payable.
4. The Custom Milled Rice would be delivered by the procuring agencies to FCI, in new 50 kg bags only, in its local godowns upto the storage point and the stacking in the FCI godown will be done by FCI.
5. The rate/cost of Custom Milled Rice (CMR) and other elements as indicated above are provisional. The State Government should send its claims for final incidentals alongwith accounts audited by the auditors appointed by the Comptroller and Auditor General and documentary proof and detailed justification for each item at the earliest after the end of the season.
6. To ensure proper utilization of funds/subsidy being released by the Government of India, the FCI may insist on previous year's requisite certificates from the State Government and its agencies before release of incidentals on account of statutory charges i.e. Market Fee, RD Cess etc.
7. The provisional rates/cost sheet are only for paddy/CMR procured by the State agencies/FCI and not for any other party acting either on behalf of such State agencies for the FCI. These rates would not be benchmarked to fix rate for such parties.
8. This issues with the approval of the Integrated Finance Division vide their Dy.No.P-320469 /AS&FA/2014 dated 27.11.2014.

Dated: 1.12.2014.

Yours faithfully,



(M. K. Gupta)

Director (FC.A/cs)

Tele: (011) 2338 9436

Copy to:

1. The Executive Director (Procurement), FCI, 16-20, Barakhamba Lane, New Delhi-110001.
2. The Executive Director (Finance), FCI, 16-20, Barakhamba Lane, New Delhi-110001..
3. The Senior Regional Manager, FCI Regional Office- Bihar, Arunachal Building, Exhibition Road, Patna- 800 001.
4. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, 10, Bahadur Shah Zafar Marg, New Delhi – 110002.
5. The Principal Director of Commercial Audit & Ex-Officio Member Audit Board – IV, North Zone, 2nd Floor, Khadya Sadan, 16-20, Barakhamba Lane, New Delhi-110001.
6. Advisor (Cost)/Director (Fc.A/cs)/Director (Finance)/US (Finance)/US(Fc.A/cs)/US(Py-I).
7. Guard File.



(M. K. Gupta)

Director (FC.A/cs)

No.192 (28)/2014-FC.A/Cs.

Annexure-I

Government of India

Department of Food and Public Distribution

Provisional Rates of Custom Milled Rice (FAQ) delivered to the Central Pool during the Kharif Marketing Season 2014-15 in respect of Govt. of Bihar and its agencies
(For Central Pool Operations)

(Rs./qtl)

| S. No. | Item of incidentals | Raw Rice | | Par-boiled Rice | |
|--------|--|----------------|----------------|-----------------|----------------|
| | | Common | Grade A | Common | Grade A |
| 1 | Minimum Support Price (MSP) | 1360.00 | 1400.00 | 1360.00 | 1400.00 |
| 2. | Statutory charges | | | | |
| | VAT @4% of MSP | * | * | * | * |
| 3 | Mandi Labour Charges (Handling Charges) | 8.84 | 8.84 | 8.84 | 8.84 |
| 4 | Driage @1% of MSP | 13.60 | 14.00 | -- | -- |
| 5 | Commission to Societies subject to the condition that the job of Arhatiya are performed by the Societies \$ | 31.25 | 32.00 | 31.25 | 32.00 |
| 6 | Custody & Maintenance Charges @Rs.2.40 per qtl. per month for 2 months # | 4.80 | 4.80 | 4.80 | 4.80 |
| 7 | Interest Charges for 2 months @ 11.75% p.a. on MSP, notional VAT and Mandi labour charges** | 27.87 | 28.69 | 27.87 | 28.69 |
| 8 | Milling Charges excluding Rs. 5.00 per qtl. as transportation charges upto 8 kms on each side from mills for paddy as well as rice. | 10.00 | 10.00 | 20.00 | 20.00 |
| 9 | Administration charges @ 2.5% of MSP for central pool stocks only | 34.00 | 35.00 | 34.00 | 35.00 |
| 10 | Cost of 1 qtl. of milled paddy | 1490.36 | 1533.33 | 1486.76 | 1529.33 |
| 11 | Out turn ratio | 67% | 67% | 68% | 68% |
| 12 | Sub-Total | 2224.42 | 2288.55 | 2186.71 | 2249.01 |
| 13 | Cost of new gunny bags | 82.00 | 82.00 | 82.00 | 82.00 |
| 14 | Gunny Depreciation for new gunnies | 32.80 | 32.80 | 32.80 | 32.80 |
| 15 | Cost of 1 qtl. Of rice | 2339.22 | 2403.35 | 2301.51 | 2363.81 |

\$ Subject to the condition laid down vide letter No.192(4)/2003-FC A/cs(Vol.II) dated 26.07.2013.

Custody and Maintenance charges would be released on production of a certificate by the State Govt. that these charges have been incurred by it.

**Interest rate as claimed by State Govt. Notional VAT @4% of MSP has been taken to work out interest amount.

*VAT as applicable at every stage will be payable as per the relevant legal provision.

Dated: 1.12.2014.

(M. K. Gupta)
Director (FC.A/cs)

Provisional Economic cost of Custom Milled Rice (FAQ) retained for distribution under decentralised procurement (DCP) operations during the Kharif Marketing Season 2014-15 in respect of Government of Bihar and its agencies

(Rs./qtl)

| S. No. | Item of incidentals | Raw Rice | | Par-boiled Rice | |
|--------|---|----------------|----------------|-----------------|----------------|
| | | Common | Grade A | Common | Grade A |
| 1 | Minimum Support Price (MSP) | 1360.00 | 1400.00 | 1360.00 | 1400.00 |
| 2 | Statutory charges | | | | |
| | VAT @ 4% of MSP | * | * | * | * |
| 3 | Mandi Labour Charges (Handling Charges) | 8.84 | 8.84 | 8.84 | 8.84 |
| 4 | Transportation charges for transportation of paddy & rice from purchase centre to temporary storage point from 0 km | 38.51 | 38.51 | 38.51 | 38.51 |
| 5 | Driage @1% of MSP | 13.60 | 14.00 | -- | -- |
| 6 | Commission to Societies \$ | 31.25 | 32.00 | 31.25 | 32.00 |
| 7 | Custody & Maintenance Charges @Rs.2.40 per qtl. per month for 2 months # | 4.80 | 4.80 | 4.80 | 4.80 |
| 8. | Interest Charges for 2 months @ 11.75% p.a. on MSP, notional VAT and Mandi labour charges** | 27.87 | 28.69 | 27.87 | 28.69 |
| 9 | Milling Charges excluding Rs.5.00 per qtl. as transportation charges for 0 - 8 kms on each side from mills for paddy as well as rice. | 10.00 | 10.00 | 20.00 | 20.00 |
| 10 | Administration charges @ 1% of MSP | 13.60 | 14.00 | 13.60 | 14.00 |
| 11 | Cost of 1 qtl. of milled paddy | 1508.47 | 1550.84 | 1504.87 | 1546.84 |
| 12 | Out turn ratio | 67% | 67% | 68% | 68% |
| 13 | Sub-Total | 2251.45 | 2314.69 | 2213.04 | 2274.76 |
| 14 | Cost of new gunny bags | 82.00 | 82.00 | 82.00 | 82.00 |
| 15 | Gunny Depreciation for new gunnies | 32.80 | 32.80 | 32.80 | 32.80 |
| 16 | Acquisition Cost of 1 qtl. Of rice | 2366.25 | 2429.49 | 2327.84 | 2389.56 |

\$ Subject to the condition laid down vide letter No.192(4)/2003-FC A/cs(Vol.II) dated 26.07.2013.

Custody and Maintenance charges would be released on production of a certificate by the State Govt. that these charges have been incurred by it.

**Interest rate as claimed by State Govt. Notional VAT @4% of MSP has been taken to work out interest amount.

*VAT as applicable at every stage will be payable as per the relevant legal provision.

Dated: 12.12.2014.

(M. K. Gupta)
Director (FC.A/cs)

No.192 (28)/2014-FC.A/Cs.

Government of India

Department of Food and Public Distribution

Provisional Economic Cost of Custom Milled Rice (FAQ) retained for distribution under decentralised procurement (DCP) operations during the Kharif Marketing Season 2014-15 in respect of Government of Bihar and its agencies

(Rs./qtl)

| S. No. | Item of incidentals | Raw Rice | | Par-boiled Rice | |
|-------------------------------|--|---------------|---------------|-----------------|---------------|
| | | Common | Grade A | Common | Grade A |
| A. ACQUISITION COST | | | | | |
| 1 | Cost of CMR | 2366.25 | 2429.49 | 2327.84 | 2389.56 |
| B. DISTRIBUTION COST | | | | | |
| 2 | Storage charges @ Rs.5.84 per qtl. per month for 4 months (covered)* | 23.36 | 23.36 | 23.36 | 23.36 |
| 3 | Transportation and Handling charges | 37.70 | 37.70 | 37.70 | 37.70 |
| 4 | Interest Charges @ 11.75% p.a. for 4 months on acquisition cost minus interest. | 91.05 | 93.48 | 89.57 | 91.94 |
| 5 | Transit and Storage loss @ 0.35% of acquisition cost excluding cost of gunny bags and gunny depreciation. | 7.88 | 8.10 | 7.75 | 7.96 |
| 6 | Administrative charges @ 2.5% of MSP of paddy equivalent to 1 qtl. of rice or actuals which ever is less for the quantity retained by the State Government for distribution under PDS. | 50.75 | 52.24 | 50.00 | 51.47 |
| 7 | Total Distribution Cost | 210.74 | 214.88 | 208.38 | 212.43 |
| C ECONOMIC COST OF CMR | | | | | |
| 8 | Acquisition cost + Distribution cost (A+B) | 2576.99 | 2644.37 | 2536.22 | 2601.99 |

Note: The Food Secretary of the State is required to give a certificate that the CMR has been kept under covered storage.

Custody and Maintenance charges would be released on production of a certificate by the State Govt. that these charges have been incurred by it.

* As per claim of State Govt.

Dated: 11.12.2014.

(M. K. Gupta)
Director (FC.A/cs)