

ALL ODISHA RICE MILLERS ASSOCIATION

S-3/36 , Sec-A, Zone-B, Mancheswar Indl. Estate, Bhubaneswar-751010

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Dated 23rd September, 2015.

To,
The Hon'ble Chief Secretary,
Government of Odisha,
Bhubaneswar.

Respected Sir,

**Sub: Discussions on problems of rice milling industry
and smooth paddy procurement operations.**

Most respectfully, we would like to thank your honour for allowing us to meet and appraise your honour about the present scenario of rice milling industry and problems faced by it in proper functioning. Based on the brief back ground submitted earlier for the meeting, some of the important points are as follows:-

1. ***The State Civil Supplies Corporation (OSCSC) is unable to receive rice stock in most of the districts*** and yet the millers are un-necessarily blamed for the delay. Pending completion of PEG Godowns, some available private godowns may be hired temporarily to help early delivery.
2. Millers are not properly reimbursed with the charges incurred by them in providing various services ***while there is no genuine intent to clear dues of millers in a time bound manner by the OSCSC***. The modalities are already detailed in the Agreement, yet confusing instructions are issued some times which further delays the process. On our request, "Pending Claim Settlement Week" was observed last year during November,2014. However, we do not have any information about any initiative taken for settlement of pending claim by the Head Office.
3. Custody maintenance charges are released for only 2 to 3 months while millers have to maintain their godowns for the entire year. ***Cost of development of storage infrastructure cannot be sustained unless storage charges for at least 5 to 6 months are paid***. Government itself is providing 10 years guaranteed occupation for PEG Godowns.

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4. ***In contrast***, every single grain of paddy is ***subjected to recovery of insurance premium from the millers for one full year irrespective of actual duration*** of holding and that too on the paddy which does not belong to the millers. Milling charges are also not revised since more than a decade though there is many fold increase in the input cost.
5. ***Supply of FAQ paddy is far from reality***. There is practically no system in vogue for quality checking of paddy. Millers are under immense pressure to accept whatever quality comes to the Mandi. ***Unfortunately, decision taken by your honour for CAP Storage at the start of KMS 2014-15 could not materialize***.
6. Your honour may kindly appreciate that ***Millers have delivered an all time record quantity of rice to FCI inspite of financial loss*** due to higher labour and other costs which are never reimbursed. Yet the millers are saddled with more and more load without any concern for their well being and feasibility. Delivery to FCI during current year is about 13.9 lakh MT against last year's 8.67 lakh which is an increase of 60% over last year.
7. ***The rice milling industry is struggling to survive and a time has come to restrict its activities to only periodical collection of FAQ paddy from CAP / other storage points of OSCSC*** based on acceptance of resultant rice in a time bound manner. Lifting from Mandi and storage of paddy may be done by OSCSC in the interest of resolving many contentious issues with millers.
8. An atmosphere of distrust and uneasiness is prevailing which needs to be cleared in the interest of successful implementation of any Food Policy. ***Good health of the Rice Milling Industry is equally important to keep Farmers in good health***.
9. Rice Millers are an integral part of the procurement system. It may kindly be considered to allow ***participation of representative from our Association in the State Level Procurement Meeting***.
10. Drafting of a suitable policy for free trading in Rice and Paddy.
11. Misc: ***Electricity*** – Imposition of monthly demand charges on prorated basis ***for the actual duration of power supplied during a month instead of for the entire month*** irrespective of power being supplied for the full month.

(Santosh Kr. Agrawal),
Chairman.