

GOVERNMENT OF ODISHA
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT

No. 18029 / 09-61-67/2013 Bhubaneswar dated the 19-10-13

From

Shri Madhusudan Padhi, I.A.S.
Commissioner-cum-Secretary to Govt.

To

All Collectors.

Sub: **Food and Procurement Policy for the Kharif Marketing Season (KMS) 2013-14.**

Sir,

This is to say that, the Government have been pleased to approve the "Food & Procurement Policy" for the Kharif Marketing Season 2013-14. I am directed to communicate below the guidelines on the Food & Procurement Policy for the Kharif Marketing Season 2013-14.

1. Objectives :

- a) To ensure Minimum Support Prices (**MSP**) to the farmers for different varieties of paddy conforming to Fair Average Quality (**FAQ**) norms which they bring to the Paddy Purchase Centers(**PPCs**) for sale.
- b) To ensure timely milling of procured paddy with effective and efficient use of available Rice mill capacity through Custom Milling (**CM**) & Levy routes and timely delivery of Rice by the millers to Food Corporation of India (**FCI**) Depots and Rice Receiving Centers (**RRC**) of Odisha State Civil Supplies Corporation (**OSCSC**) Ltd
- c) To ensure timely availability of rice for Public Distribution System (**PDS**) across the State through efficient utilization of available storage godowns and effective movement of stocks.
- d) To develop few market yards for auction of higher quality of paddy in the State at a premium fetching a higher price for the farmers

2. Expected Outcomes...

- a) Farmers are able to sell their paddy as close as possible by locating Paddy Purchase Centers (**PPCs**) in close proximity. The District Administration to tag the PPCs with clear delineated areas so as to cover all villages in the State.
- b) Farmers are aware about the FAQ norms so that most farmers bring in FAQ paddy to the PPCs as Minimum support price is to be ensured only for FAQ paddy.

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c) The PPCs to have adequate facility to handle and clean the balance non FAQ paddy at cost for the farmers.

d) The payment for paddy purchased from the farmers by the State Agencies or their authorized Societies or Miller Agents(for levy) is made either through A/C payee cheque or through direct transfer to the bank account of the farmers within three to seven days of the purchase.

e) The paddy allocated / issued to the Rice Mills from the PPCs is proportional to the capacity of the mill and the security amount deposited by the Mill owner accordingly.

f) The Mills are to be tagged to the PPCs by the District Administration to ensure that the estimated procurement target of the PACS/society is taken care of. It is also to be ensured that the overall target of the district is covered by either the local millers or outside district millers.

g) The receipt of paddy from the PPCs and delivery of Custom Milled Rice (CMR) by the mills to the Rice Receiving Centers (RRCs) is monitored on near real time basis through a mobile reporting system by societies/ agencies and millers and an application software with various levels of authorization.

h) As far as possible, the tagging of Mills to PPCs and the RRCs is made on basis of distance from the mill, availability of space in the RRC and requirement of rice for PDS in the area apart from mill capacity and security deposit for minimizing overall cost of transportation from paddy receipt to rice delivery for PDS .

i) The procurement process becomes transparent by use of Information Technology at various stages of procurement.

3. The Targets for procurement...

a) **Overall Target:** Having regard to overall agricultural production, requirement of food-grains and the trend of procurement in the past four years, the proposed procurement target has been fixed at 30 Lakh MTs in terms of rice for the Kharif Marketing Season 2013-14. Out of this, paddy for at least 25 (twenty five) Lakh MT of rice will be procured by Government agencies, including the Food Corporation of India, and the balance quantity(5 Lakh MT) shall be procured through levy procurement.

b) **Fixing targets per Acre :** In rain fed areas, the per acre paddy procurement targets is to be fixed as per realistic estimates of yield by Agriculture Department based on last five years' yield & current year's crop condition. For irrigated areas,

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the per acre procurement target for a common command area needs to be fixed consistently across the command area which may cut across districts. It may be moderated by the concerned RDC(s) if more than one district are part of a common command area. This information is very crucial as it is to be used while calculating surplus paddy of an individual farmer and is to be reflected in the Farmer Identity Card.

c) Assessment of Marketable Surplus at each Society level: All PACS/Societies must prepare a database of farmers in shape of a Register called "**Farmers Paddy Assessment Register**" to determine the marketable surplus (after deducting consumption) of each farmer in their delineated jurisdiction. This database is to be created by taking inputs from last 3 years farmer's database, i.e. those who have sold their paddy to society and supplemented from the crop loan information of the PACS in the current Kharif season. The land information is to be authenticated from the records available in the office of the R.I. The objective of this exercise is to make a realistic assessment of availability of marketable surplus paddy in the catchment area of the PACS/society. This exercise is to be completed by all PACS well in advance and a consolidated report be submitted to the Collector's office through the BDO.

d) District /Agency Targets: Districts are to consolidate the assessment figure PACS/societies and transmit the District assessment figure to State Headquarters (Food Supplies and Consumer Welfare Department) where the district wise procurement targets would be finalized based on these assessment figures and in such a manner so as to achieve the overall procurement target.

The Food Supplies & Consumer Welfare Department shall also fix the target for raw rice and parboiled rice as per the respective milling capacities, availability of suitable paddy & PDS requirements in the concerned districts.

4. The Decentralized Procurement Scheme (DCP): Odisha has accepted the DCP scheme proposed by Government of India since 2003-04. Under the scheme, the Odisha State Civil Supplies Corporation, on behalf of Government of Odisha, is procuring paddy, milling it through custom millers and using the milled rice for meeting the State's Public Distribution System (PDS) needs. The role of Food Corporation of India has been reduced to accepting the surplus rice from the State (procured by various State Procuring agencies and through Levy route) and

evacuating surplus rice to outside consuming States. It is also responsible to bring in wheat required for PDS to the State.

a) Procurement by Agencies of State Government: The State Government Agencies namely Orissa State Civil Supplies Corporation Ltd (OSCSC), NAFED, MARKFED and TDCC will procure paddy directly from farmers or with the help of PACS, WSHGs and Pani Panchayats, as per quality specifications laid down by the Government of India and in accordance with the guidelines issued by the FS&CW Department from time to time under the Decentralized Procurement Scheme. OSCSC will procure paddy in all district but other State agencies will be mostly assigned surplus districts to procure paddy.

b) Procurement by FCI: The Food Corporation of India (FCI) will also procure paddy directly from the farmers in the surplus districts assigned to it. The FCI is allowed to engage agencies to procure paddy from the farmers directly in the districts assigned to the agency by the State Government during the KMS 2013-14.

c) Distribution: The OSCSC will utilize the custom milled rice obtained from the paddy procured by it for distribution through the Public Distribution System in accordance with the Decentralized Procurement (DCP) Scheme of Government of India. The OSCSC is also allowed to enter into agreements with the State government agencies like TDCC, MARKFED and NAFED to obtain custom milled rice (CMR) from these agencies, if required, and to distribute the CMR through the Public Distribution System as per DCP scheme. OSCSC Ltd. shall transport rice from surplus districts to consuming districts. Further, OSCSC Ltd. shall deliver surplus rice to FCI. The surplus shall be delivered in all or some of the districts to FCI depots by the custom millers at the proportion decided by OSCSC Ltd.

d) The State Pool: The requirement of food grains for State Pool to meet the shortfall in Government of India allocation in certain PDS schemes of PDS will be procured by the OSCSC Ltd while maintaining separate accounts for the same and the balance quantity shall be delivered to the Central Pool. Depending upon last two years consumption, few societies and mills may be totally earmarked to procure & mill under state pool by the OSCSC.

5. The Levy Procurement...

a) The Food Corporation of India (FCI) will be the *designated procurement agency* to receive levy rice from the millers as per provisions of Levy Control Order of 2013.

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b) The Orissa Rice and Paddy Procurement (Levy) and Restriction on Sale and Movement Order, 2013 as amended from time to time is in force in the State during the Kharif Marketing Season 2013-14. Collectors will ensure that the levy due as per law is collected from the millers before they dispose any stock in open market. The millers may deliver the total levy rice due from them to Food Corporation of India before disposing the levy free rice in open market.

6. Minimum Support Price of Paddy ...

a) The Government of India has announced the following Minimum Support Prices for different varieties of paddy conforming to Fair Average Quality (FAQ) norms for KMS 2013-14 as under:

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|----------------|---|------------------------|
| (i) Common | : | Rs.1310/- per quintal |
| (ii) Grade "A" | : | Rs. 1345/- per quintal |

b) The quality specifications of paddy and rice as decided by Government of India shall be applicable in the State. A copy of the **FAQ** (Fair Average Quality) norm is enclosed at **Annexure-I**. Payment of MSP is applicable only for FAQ standard paddy and sale of non-FAQ paddy below MSP will not amount to distress sale.

c) The Minimum Support Price announced by the Government of India for the FAQ paddy and paddy under relaxed specifications (URS) (as and when received from Government of India) may be accepted by the State Government and notified under Clause 4 of the Orissa Rice and Paddy Procurement (Levy) and restriction of Sale and Movement Order, 2013.

d) The Government of India is likely to announce the economic cost of the custom milled rice and the procurement price for levy rice for the KMS 2013-14 in November'2013. The State Government may accept these prices as may be decided by the Government of India.

7. Preparation Activities for procurement

a) **Finalizing the list of Societies for Procurement:** The District Collector with the help of CSO cum DM, OSCSC, DRCS, Secretary, DCCB, DSWO, Deputy Director, Agriculture/DAO, Executive Engineer, Irrigation and any other officer considered suitable by the Collector shall prepare a list of capable PACS/WSHG/ Pani Panchayats (herein after referred as societies) who will participate in the paddy procurement operations as agents of OSCSC. PACS are to be given priority over WSHG & Pani Panchayats (PP) in allocating villages/area for procurement.

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However, if a PACS is not active in an area, WSHG or PP may be allotted the area to procure.

Each of the selected society shall have a designated place of business for purchasing paddy (PPC) where minimum infrastructural facility as detailed in **Annexure-II** would be made available. The respective RMCs will be responsible for making these facilities available. An action plan for each PACS/ Society is to be prepared. Following steps need to be taken for preparing the action plan:

(i) **Delineation of jurisdiction:** The jurisdictional area shall be delineated clearly among PACS/Societies so as to cover all areas and to avoid confusion among farmers. This should be well publicized among the farmers of the area so that they know the location of the Paddy Procurement Center (PPC) to bring their surplus paddy. It is a fact that nearly entire rural Odisha has been covered by PACS/ LAMPCS who have clear cut demarcation which may be followed for delineation of jurisdiction among PACS/ societies.

(ii) **Online Registration:** Each PACS/ Society shall register their details online including mobile phone number of the Secretary for the PACS/ Society. Those PACS/societies who have already registered may update their current the status. For example, if the Secretary has been charged or if any other information has been changed since the time of last registration, the same need to be updated.

(iii) **Society Level Procurement Committee:** A Society Level Procurement committee will be constituted at each PACS/ Society with its Secretary as the convener. The local R.I. (Revenue), VAW (Agriculture), three farmers of the Area, EOs of GPs (within the jurisdiction of PACS) will be members of this committee. **BDO** of the Block under which the PACS/Society is located shall notify the committee. A panel of names of the farmers covering all villages shall be given by the PACS/ Society to BDO to choose the three farmers for the committee.

(iv) **Job responsibility of the Committee:** The Committee shall be in the overall charge of procurement in the society. It will supervise the preparation of advance action plan, make assessment of paddy arrival, monitor the actual procurement & transfer of paddy to mills, payment of farmers dues both in Kharif & Rabi (if applicable) season. The PACS/ society should

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submit the advance action plan to Collector through BDO for fixing targets and allocation of funds through DCCB/concerned District level officer.

b) Preparation of Advance Action Plan by PACS...

(i) **Creation of Farmers Database:** All PACS/Societies must prepare a database of farmers in shape of a Register called "**Farmers Paddy Assessment Register**" to determine the marketable surplus (after deducting consumption) of each farmer in their delineated jurisdiction. This database is to be created by taking inputs from last 3 years farmer's database, i.e. those who have sold their paddy to society and supplemented from the crop loan information of the PACS in the current Kharif season. The land information is to be authenticated from the records available in the office of the R.I. The objective of this exercise is to make a realistic assessment of availability of marketable surplus paddy in the catchment area of the PACS/ Society. This exercise is to be completed by all PACS well in advance and a consolidated report be submitted to the Collector's office through the BDO. The district wise procurement targets would be finalized based on these assessment figures.

A **web based application** has been developed and is likely to be made available by end of October'2013 for all societies to key in the farmer details as per the fields of the Farmers Paddy Assessment Register. All societies have to give the farmer details in advance on the web through secured password and user id. This web based application will help in generating the various registers and other documents required in procurement operation.

(ii) **Keeping Equipment ready:** Following equipment in working condition are to be made available at each PACS/Society before the start of procurement.

1. Mini grader
2. Moisture Meter
3. Analysis kit
4. Weighing Scale (both electronic & manual)

This has been provided to most societies by RMCs. But the concerned society should ensure that they are in working condition. These are very crucial as the PACS/society will be totally responsible for quality and quantity of paddy received by them. They have to ensure that farmers bring

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in paddy of Fair Average Quality (FAQ) as specified by the Government of India. **Farmers training on FAQ have to be conducted at PACS level with support from RMCs.** As the PACS/societies have to hand over paddy of FAQ to millers, they may land up in problems if they do not ensure the same during receipt from farmers.

(iii) **Interim storage facility for paddy:** Most PACS/societies do not have any facility for storing paddy. *However, Each PACS must make arrangements to store paddy up to three days of procurement.* This is necessary to ensure proper planning on part of miller to organize adequate number of vehicles and also to ensure that the PACS functionaries can concentrate on their task. Therefore, where the PACS/societies do not have storage facility, they are to plan for making CAP (cover and plinth) storage using local materials. Sufficient numbers of Tarpaulin & Polythene sheets are to be procured in advance to do CAP storage in the premises of PACS which may be funded by RMC or PACS themselves.

c) Training of field functionaries/committee members: Training in procurement process, record keeping, SMS reporting, Record transmission, Database etc. is to be imparted at Block level to PACS/society functionaries and some of the committee members. Training schedule shall include modules on the FAQ standard & use of equipment for quality check. A visit to a nearby PPC for hands on training may be planned in the A/N.

As the PACS have to ensure proper maintenance of records and registers on purchase of FAQ paddy from farmers, training on the maintenance of following registers/ records etc. as supplied by OSCSC Ltd. is to be imparted.

• Token Slip	• Paddy Stock Register
• Vendor Receipt	• Paddy Despatch Register
• Quality Test Report	• Millers Control Register
• Paddy Acceptance Note	• Paddy Purchase Register (two set).
• Transit Pass	• Cheque Issue Register
• Cash Book	• Paddy Rejection Register.

For this, District Level Master Trainers (MT) shall be trained at Revenue Divisional Level by the Odisha State Civil Supplies Corporation. These District

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level MTs would train the Block level Master Trainers who will train the functionaries at the block level. OSCSC shall develop a training manual for these functionaries which would be supplied at the time of training.

d) Paddy Purchase Centers (PPCs): District Administration would declare the existing Market Yards located in procurement areas belonging to Regulated Market Committees (RMCs) as PPCs. In heavy procurement blocks, **temporary market yards** with minimum facilities (as mentioned in **Annexure-II**) would be set up by the concerned RMCs as PPCs for facilitating procurement by State agencies and/or FCI. The medium and large farmers who can afford transportation to a farther distance would be encouraged to come to these market yards.

RMCs will declare the designated places of Business of the Societies as Additional Market Yards as per provisions of OAPM Act/Rules. The RMC Market yards can also be allotted to 2-3 PACS to procure paddy from the farmers of their jurisdiction as the market yard has better facilities for weighing & storing. The market yard will be the second purchase centre for the PACS/ Society apart from their Headquarters. Such facility may only be extended to those PACS/ society which have adequate manpower to man both purchase centers. In such a case adequate publicity needs to be given in concerned villages which are tagged to the market yard.

Collectors will assess the requirement of **equipment** at market yards / PPC's for carrying out procurement operations. The orders for these shall be placed at the District level and funds shall be provided by the concerned RMC's. It shall be ensured that all PPCs have the necessary infrastructure in place before the starting of procurement operations.

e) IEC activity for awareness about FAQ and MSP: The District Administration is to initiate various IEC activities for creating awareness about FAQ norms of paddy and the Minimum Support Price (MSP). Agriculture department, Food Supplies and Consumer Welfare department and Cooperation Department officials of the District will jointly be involved in this under leadership of Collector. Regulated Market Committee (RMCs) will provide funds for this activity.

Primary Agricultural Cooperative Societies (PACS), Women Self Help Groups (WSHG) and Pani Panchayats (PP) involved in paddy procurement in past years shall be actively involved in this IEC campaign. Print and Electronic Media

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campaigns for FAQ & MSP awareness would be centrally undertaken by OSCSC Ltd. and other state agencies.

f) Procurement by State Agencies: State Agencies other than OSCSC and the FCI may procure directly at Market Yards/temporary Market yards of RMCs designated as PPCs by the District Administration through their purchase officers. They may also procure through Societies from the approved list of Societies finalized by the concerned District Administration.

To streamline the paddy procurement through PACS, the Government of Orissa has allowed the OSCSC to make an agreement with DCCBs to engage PACS as the Commission Agent of OSCSC. The other State Agencies/FCI may enter into similar agreements with societies or their apex bodies for procurement. **OSCSC Ltd. shall also enter in to agreement with DSWO and Executive Engineer in charge of Pani Panchayats at the District level** for procurement of paddy by WSHGs and Pani Panchayats respectively. All payments for purchase of paddy, commission to societies etc. shall be routed through these nodal officers.

Collectors may assign various days of a week during Kharif & Rabi procurement period for paddy procurement operations at different PPC's. This will streamline procurement operations given limitation of staff, resources etc. An Action plan may be prepared by the District Administration in this regard assigning responsibilities to RMC/PACS functionaries, purchase officers, supervising officials, mill owners, State agencies etc. well in advance for smooth procurement operation.

g) Procurement by Rice Millers under Levy: The target under levy will be allotted to millers by the District Administration on basis of their milling capacity and in proportion to the target allotted for CMR. This ratio would be between 1:4 to 1:2 for Levy to CMR. *For example, if a mill is allocated 1000 Quintals of paddy for custom milling, it needs to buy at least 250 quintals of paddy from farmers under levy under 1:4 ratio.*

Private rice millers are to procure paddy from the market yards and temporary yards of the Regulated Market Committees (RMCs). However, where such yards do not exist within a distance of five Kilometers from a mill, the District Collector may allow procurement of paddy at the temporary yards set up at the mill-gate equipped with all the facilities on designated days under the supervision of Government officials to ensure proper weighment and payment of MSP to the farmers.

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h) Farmers getting paddy to PPCs: Farmers will register with the societies well in advance (at least 7 days) along with proposed quantity of FAQ paddy to be sold, proof of identity and saving bank account details of any Commercial, Rural or Cooperative Bank / Post Office. The societies will allot date to the farmers to bring FAQ paddy to the PPC's so as to regulate the flow of paddy.

Upon arrival of paddy, the PPC will conduct sample testing of paddy to see if it conforms to the FAQ standards. If it conforms, paddy will be purchased and payment made by the PPC to the farmer within 7 days.

If the paddy does not conform to the FAQ standard, the farmer will have two options. One to take back the paddy, improve the quality and bring it back on another date to the PPC for sale. Second option would be to get the quality improved at the PPC itself. For this, the PPC should have adequate space and facility for cleaning. They may engage WSHGs or private entrepreneurs with power cleaners to provide paddy cleaning services at each PPC. Private entrepreneurs with power cleaners should also be actively encouraged. Farmers should have this facility available on payment basis.

i) Milling Operation: In consultation with the District Millers Association, Collectors will assign Rice Mills to each PPC taking into consideration milling capacity, storage capacity, its distance from the PPC, past performance, amount of security deposit etc. Every Miller shall register his/her Rice Mill **online** in the website of OSCSC at www.oscsc.in or that of the department www.foododisha.in and get it verified and updated through CSO cum DM of his/her district in the database for being allowed to participate in procurement operation. Those who had registered online in KMS 2012-13 may update the same if there has been any change in any of the fields of registration format. Online Registration of the mills is a prerequisite for participation in the procurement operation of KMS 2013-14.

The Rice Millers shall sign an agreement with the State agencies or FCI and undertake for custom milling of paddy procured by them as per the agreed terms and conditions and at the rates and norms framed by the Government of India. The miller or his representative will remain present on the procurement days at the PPCs and shall ensure lifting of the paddy on regular basis to avoid stockpiling of paddy at PPCs.

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8. Payment of cost of paddy to the Farmers...

a) State Government agencies, Food Corporation of India(FCI) and the Miller Agents **shall pay the MSP(Minimum Support Price)** fixed by the Government for the KMS 2013-14 for the FAQ paddy procured by them. Purchase of FAQ paddy at prices below the Minimum Support Price would amount to violation of the Orissa Rice and Paddy Procurement (Levy) and Restriction on Sale and Movement Order, 2013 and will be punishable under the Essential Commodities Act, 1955.

b) Payment of total cost of paddy sold should be made to the farmer on the spot at the PPC by account payee cheque or through online bank transfer within three days to the bank account of the farmer, but not later than seven days in any case, by the State Agencies, FCI and Miller Agents. Action is to be taken by the Collectors against procuring agencies who do not make payment of the cost of paddy within the prescribed period.

PACS / WSHG / PPs shall make payment to the farmers through account payee cheques or online bank transfer irrespective of the quantity purchased.

c) Collectors will ensure that the cheques issued by agencies/millers are **honored expeditiously by the Banks** and farmers benefit from the system of payment through cheques.

d) In case of OSCSC Ltd., the Collector of the District shall allocate targets to PACS, WSHG, Pani Panchayats keeping in view the district wise target allotted to the Corporation. OSCSC Ltd. shall release the funds to DCCB and DM, OSCSC Ltd. on the requisition of Collector only. Only in case of emergencies, the Odisha State Civil Supplies Corporation shall be allowed to procure paddy directly from the farmers

e) Where paddy will be purchased through PACS/societies, Collector of the district shall appoint Monitoring **Officers** from the Civil Supplies staff to ensure payment of MSP to farmers as per prescribed purchase procedures by the PACS/Societies/Millers. Each monitoring officer may be assigned few societies /market yards to monitor and ensure MSP for FAQ of paddy.

f) The Collector shall appoint Senior Officers as **Nodal Officer** for each block to ensure that farmers do not face any difficulty in selling their FAQ paddy and getting the MSP. A **team of officers** of concerned departments for each Subdivision under Sub Collector shall be constituted to make random checks at PPCs/Mills/Banks during procurement period to ensure implementation of the policy.

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Any case of non-payment of MSP for FAQ paddy shall be brought to the notice of the Collector for taking action as per law against concerned agency/society/Miller.

g) Society Level Procurement Committee: A Society Level Procurement committee will be constituted at each PACS/Society with its Secretary as the convener. The local R.I. (Revenue), VAW (Agriculture), three farmers of the Area, EOs of GPs (within the jurisdiction of PACS) will be members of this committee. BDO of the Block where the PACS/Society is located shall notify the committee. A panel of names of the farmers covering all villages shall be given by the PACS/Society to BDO to choose the three farmers for the committee. The Committee shall be in the overall charge of procurement. It will supervise the preparation of advance action plan, make assessment of paddy arrival, actual procurement of paddy, transfer of paddy to mills, payment of farmers dues both in Kharif (& Rabi, if applicable) season.

9. Identification of Farmers...

a) Genuine Farmers are to be allowed to sell their paddy through either KCC (Kisan Credit Card) or Land Pass Book/ Record of Rights (Patta) or FIC (Farmers Identity Cards) or Electors Photo Identity Cards (EPIC). In case FICs have been distributed to all the genuine farmers in the district, Collector may prohibit other modes of identification. Collectors will ensure that no genuine farmer is denied access to paddy procurement operations.

b) All the FICs shall be verified and renewed with the help of revenue officials. The data base of the FICs should be computerized and kept in the District Server. Each FIC should bear a unique number and be printed in a manner that these documents are not easily forged. It is to be ensured that the farmers do not face any difficulty in getting Farmers Identity Cards/other identity documents. The database of farmers issued with FICs along with their marketable surplus quantity shall be made available to each of the PPCs in shape of **a register** to help them to monitor paddy procurement.

The web based application for preparing paddy assessment register would help in preparing the FICs. Therefore, all Collectors may ensure the data entry by the societies before start of procurement.

c) Share-croppers ('bhag-chasi') will be provided FIC's with the consent of the farmer concerned in order to enable them to sell their FAQ paddy at the MSP. They

will be allowed to sell paddy to Government agencies on the basis of such FIC's or any other identity document approved by the Collector/Government.

Revenue & Disaster Management Department may initiate steps to put institutional mechanism like lease or contract farming to recognize share croppers so that they do not have to collect the consent letters of the land owners at the time of harvest every season.

d) The Orissa State Cooperative Bank (OSCB) through PACS has membership of nearly 52 lakh agriculture households across the State which includes about 40 lakh KCC holders. There are about 12 lakh KCC holders of Commercial Banks. Both OSCB and Commercial Banks may share this database with the concerned Collectors if the same has been digitized for use at society level in procurement operations.

10. Delivery of Rice, Issue of Delivery and Enforcement Certificates...

- a)** There shall be an **Authorized Officer** who will be in charge of the rice mill. The Authorized Officer shall be appointed by Collector from Civil Supplies executive staff. The Authorized officer shall be responsible for the joint custody and maintenance of paddy on behalf of OSCSC Ltd. and other State Agencies and periodical verification of same in the premises of the rice mill. The Authorised Officer shall verify the paddy purchase, paddy receipt, CMR milling, CMR delivery by the Miller at specified periodic intervals and submit a **Verification Report** to the CSO-cum-DM of the district on being satisfied that *the paddy has been procured from the farmers on payment of MSP for levy portion and that the CMR has actually been produced from the paddy received from the State Agencies.*
- b)** On the basis of the Verification Report(VR) made by the Authorized Officer in-charge of the Mill, the Delivery certificate(DC) shall be issued by the CSO cum DM to the Miller for delivering CMR to designated depots from the web based DC/EC Module. Steps are under process to submit the VRs online with help of digital signatures so as to avoid delays caused by paperwork.
- c)** Collector may appoint **Enforcement Officers** from the rank of BDO/ Tahasildar/ Sub-Collector etc. to check the mills. The Enforcement Officer shall periodically verify the paddy and levy rice stocks of the miller agent and furnish all information to the Collector in shape of **VR for Levy** for generating the Enforcement Certificate in the relevant form. From the VR for Levy, the **Enforcement Certificate** (EC) for levy rice shall be generated from the web base DC/EC module. These ECs shall be

countersigned by the Collector of the district (or Officer(s) authorized by the Collector) on the basis of paddy purchased by the miller agents. The delivery of levy rice by millers to FCI will be made on the basis of such **Enforcement Certificates (EC)**.

- d) The levy target of the rice mills shall be fixed scientifically on the basis of milling capacity, storage capacity of godowns, infrastructure facilities of the mills such as boiler, dryer, drying yards etc. and financial capacity of the miller. Collectors should verify these aspects before fixing the Miller's Levy target. All mills which have processed at least 5000 quintals of paddy in the past year shall be given a target under levy. Collector will also ensure that levy due and CMR due is collected from each rice mill before it is allowed to sell the "free-sale" stock.
- e) **Custom Milled Rice (CMR)** of the State agencies will be delivered to FCI/ OSCSC on basis of **Delivery Certificate(DC)** issued by the District representative of the State agency basing on the Verification report of the Authorised officer of the mill. The Authorized Officer in charge of the mill shall verify the stocks received from Government agencies and to submit the verification report to the district representative of the State agencies for issue of Delivery Certificate.

In case of paddy procured directly by the FCI from the farmers, without any intermediary agency, the Delivery Certificate will be issued by the Area Managers of the FCI.

- f) The electricity/energy bills and the infrastructure facilities of the mill and records relating to VAT, etc. shall be checked by the Authorized Officer to assess whether the mills have actually produced the specified quantities and varieties of rice during the period.

11. Monitoring and Supervision...

- a) The Collector of the district shall make fortnightly review of the paddy purchased, paddy delivered to custom millers and CMR received from the custom millers by OSCSC/FCI. The Collector will take necessary action wherever required under intimation to F.S. & C.W. Department.
- b) Collectors shall draw up a plan for detailed verification through Revenue Officers of at least 20% of the farmers who have sold more than 200 quintals of paddy at PPCs during the KMS 2013-14 and send the report in prescribed format to the FS&CW Department.

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c) The Collectors and the procuring agencies shall finalize the procurement program as early as possible to ensure timely lifting of paddy arriving at PPCs/ Market yards and make arrangements for payment of farmers' dues in time.

d) The Collector shall convene District Procurement Committee Meetings at regular intervals for smooth procurement operations. This committee is to deliberate the average yield based on past estimates of the yield by the Agriculture Department officials and the current year's crop condition.

e) If command area of an irrigation project covers more than one District, the RDC of the Division may convene the Divisional Procurement Committee meeting with concerned officials and Collectors to finalize the average yield per acre and quantity to be procured per acre.

f) A control room shall be set up at district level of major procuring districts (more than **100000 MT** of paddy in KMS 2012-13) during the time of actual procurement operations. The control room shall have a land line/ mobile which should be well publicized. A computer with internet facility may be given to follow up the calls regarding mobile reporting of procurement.

Daily procurement of paddy at the decentralized PPCs and lifting by miller agents shall be monitored closely. In case of slow lifting by millers, Collectors should take necessary action to ensure lifting of paddy from PPCs by the designated miller agents. The State agencies and the societies shall submit daily procurement reports through SMS under m-Gov application.

g) The Collectors of the districts will be personally responsible for monitoring procurement, ensuring payment of Minimum Support Price to farmers for FAQ paddy and preventing recycling of subsidized PDS rice and avoiding distress sale of paddy.

12. Miscellaneous Matters...

a) **Agreement of OSCSC with OSCB / DCCBs:** To streamline the paddy procurement through PACS, Government in FS&CW Department have allowed OSCSC to make an agreement with OSCB / District Central Cooperative Banks (DCCBs) to engage PACS as the Commission Agent of OSCSC. OSCB to ensure that funds placed with DCCB / PACS for procurement of paddy shall not be diverted or utilized otherwise than for payment of dues to farmers.

b) **Agreement of OSCSC with DSWO / Executive Engineer in charge of Pani Panchayats :** Government in FS&CW Department has decided that OSCSC Ltd.

shall enter into agreement with DSWO & Executive Engineer in charge of Pani Panchayats in case paddy is procured through WSHG and Pani Panchayats respectively. All payments for purchase of paddy, commission to societies etc. shall be routed through these nodal officers.

c) Inadequate number of Rice Mills in a District : In case of districts where adequate numbers of Rice Mills are not available, the Collector may assign millers from other nearby districts with surplus capacity in consultation with the concerned Collectors and approval of MD, OSCSC. However, one custom miller shall not participate in more than two revenue Districts including the district where rice mill is located.

d) Uncertified Boilers: Millers having uncertified crude boiler shall not be allowed to undertake procurement and processing of paddy into parboiled rice with such uncertified boilers. However, such mills may be allowed to process and deliver raw rice.

e) Trading in rice and paddy: As per the Removal of (Licensing requirements, Stock limits and Movement Restrictions) on Specified Foodstuffs Order, 2002 issued by Government of India, any dealer may freely buy, stock, sell, transport, dispose, acquire, use or consume any quantity of paddy/ rice and shall not require a permit or a license there for under any order issued under the *Essential Commodities Act, 1955*.

However, appropriate safeguards should be taken to ensure the payment of Minimum Support Price to the farmers by the dealers at the time of purchase and appropriate supporting documentation like for payment of market fees & VAT should be kept on record and produced on demand by competent authorities.

f) RMCs to organize Auction of superior quality Paddy: Each of the RMCs located in major Procuring District will make arrangements for conducting auction of superior quality of paddy in at least one of its Market yards with special arrangements so that the farmers, who wish to get their paddy auctioned over and above the MSP provided by Government, can participate in the auction. The authorized millers, traders and other agencies will participate to take such superior quality of paddy after auction at these designated market yards.

g) Paddy Procurement Automation System (P-PAS): As per decision of the State Level Procurement Committee, Paddy Procurement Automation System (P-PAS) is to be introduced in one third of the PACS involved in procurement.

However, due to insufficient preparation, the same will be undertaken in four heavy procurement blocks of Attabira, Dunguripalli, Binka and Bhadrak in Kharif Marketing Season 2013-14. Here all the transactions of procurement operations will be done through a web based applications. The societies in these four blocks will procure computer, printer & inverters .OMEGA project will provide software and manpower to handhold the project implementation.

h) Authority of FS & CW Department: The Government in Food Supplies and Consumer Welfare Department shall have the power to prescribe operational guidelines and to issue clarifications, as and when required, to achieve the objectives of this Policy for the KMS 2013-14. These guideline & clarifications shall be final and binding on all agencies procuring paddy in accordance with this "The Food and Procurement Policy, 2013-14".

You are instructed to implement the "Food and Procurement Policy" scrupulously. The district administration should make all out efforts to prevent distress sale of paddy and timely payment of all legitimate dues to the farmers in all transaction.

Yours faithfully,

M. G. Subramanian
19/10

Commissioner-cum-Secretary to Govt.

Memo No. 18030 date. 19-10-13

Copy alongwith copy of enclosures submitted to Principal Secretary to Chief Minister/ Private Secretary to Minister, Food Supplies & Consumer Welfare for kind information of Hon'ble Chief Minister, Odisha and Hon'ble Minister, F.S & C.W.

M. G. Subramanian
19/10

Commissioner-cum-Secretary to Govt.

Memo No. 18031 date. 19-10-13

Copy alongwith copy of enclosures submitted to OSD to Chief Secretary/Private Secretary to Member, Board of Revenue, Odisha, Cuttack/Private Secretary to D.C.-cum-A.C.S/Private Secretary to APC, Odisha/Secretaries to all Revenue Divisional Commissioners for kind information of Chief Secretary, Odisha, Member, Board of Revenue, Odisha, D.C.-cum-A.C.S., Odisha, APC, Odisha and all Revenue Divisional Commissioners.

M. G. Subramanian
19/10

Commissioner-cum-Secretary to Govt.

Memo No. 18032 date. 19-10-13

Copy alongwith copy of enclosures submitted to Chief Administrator, KBK districts for information and necessary action.


Additional Secretary to Govt.

Memo No. 18033 date. 19-10-13

Copy alongwith copy of enclosures forwarded to General Manager, Food Corporation of India, Vani Vihar, Bhubaneswar for information and necessary action.


Additional Secretary to Govt.

Memo No. 18034 date. 19-10-13

Copy alongwith copy of enclosures forwarded to the Principal Secretary, Agriculture Department/ Commissioner-cum-Secretary, Co-operation Department/ Commissioner-cum-Secretary, Women & Child Development Department/ Managing Director, OSCSC Ltd., Bhubaneswar/ Registrar, Co-operative Societies, Odisha, Bhubaneswar/ M.D., TDCC, Bhubaneswar/ M.D., MARKFED, Bhubaneswar/ B.M., NAFED, Bhubaneswar for information and necessary action.


Additional Secretary to Govt.

Memo No. 18035 date. 19-10-13

Copy alongwith copy of enclosures forwarded to all Departments of Government/ Director General and Inspector General, Police, Odisha/ Director-cum-Additional D.G. of Police, Vigilance, Odisha, Cuttack/ Director, Agricultural Marketing Board-cum-Member Secretary OSAM Board, Bhubaneswar/ Director, Agriculture and Food Production, Odisha/ Chief Engineer, Irrigation, Odisha, Bhubaneswar for information and necessary action.


Additional Secretary to Govt.

Memo No. 18036 date. 19-10-13

Copy alongwith copy of enclosures forwarded to all Sub-Collectors/ All Civil Supplies Officers/ Officer in-charge Check Gates/ All Officers of Food Supplies and Consumer Welfare Department for information and necessary action.


Additional Secretary to Govt.

Memo No. 18037 date. 19-10-13

Copy alongwith copy of enclosures forwarded to Area Manager, Food Corporation of India, Sambalpur/ Titlagarh/ Berhampur/ Jeypore/ Balasore/ Bhubaneswar/ Cuttack for information and necessary action.


Additional Secretary to Govt.

Memo No. 18038 date. 19-10-13

Copy alongwith copy of enclosures forwarded to the Registrar, Odisha Information Commission, Toshali Plaza, Bhubaneswar for information and necessary action.


Additional Secretary to Govt.

Memo No. 18039 date. 19-10-13

Copy alongwith copy of enclosures forwarded to Sri A.N. Prusty, Senior DEO, F.S. & C.W. Deptt. for information and necessary action. He is instructed to display the Policy in Department website.


Additional Secretary to Govt.

Memo No. 18040 date. 19-10-13

150 (One Hundred Fifty) spare copies for Guard file.


Additional Secretary to Govt.

UNIFORM SPECIFICATION OF ALL VARIETIES OF PADDY

(MARKETING SEASON 2013-2014)

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 mexicana*, *Lathyrus sativus* (Khesari) and admixture of deleterious substances.

Paddy will be classified into Grade 'A' and 'Common' groups.

SCHEDULE OF SPECIFICATION

S. No	Refractions	Maximum Limit (%)
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	6.0
5.	Moisture content	17.0

N. B.

1. The definitions of the above refractions and method of analysis are to be followed as per BIS 'Method of analysis for foodgrains' Nos. IS: 4333 (Part -I): 1996, IS: 4333 (Part-II): 2002 and 'Terminology for foodgrains' IS: No. 2813 -1995, as amended from time to time.
2. The method of sampling is to be followed as per BIS method for sampling of Cereals and Pulses IS: 14818-2000 as amended from time to time.
3. Within the overall limit of 1.0% for organic foreign matter, poisonous seeds shall not exceed 0.5% of which Dhatura and Akra seeds (*Vicia* species) not to exceed 0.025% and 0.2% respectively.

UNIFORM SPECIFICATION FOR GRADE 'A' & 'COMMON' RICE

(MARKETING SEASON 2013-2014)

Rice shall be in sound merchantable condition, sweet, dry, clean, wholesome, of good food value, uniform in colour and size of grains and free from moulds, weevils, obnoxious smell, admixture of unwholesome poisonous substances, *Argemone mexicana* and *Lathyrus sativus* (Khesari) in any form, or colouring agents and all impurities except to the extent in the schedule below. It shall also conform to Food Safety and Standard norms:

SCHEDULE OF SPECIFICATION

S. No	Refractions		Maximum Limit (%)	
			Grade 'A'	Common
1.	Brokens*	Raw	25.0	25.0
		Parboiled/single parboiled rice	16.0	16.0
2.	Foreign Matter**	Raw / Parboiled / single parboiled rice	0.5	0.5
3.	Damaged # / Slightly Damaged Grains	Raw	3.0	3.0
		Parboiled/ single parboiled rice	4.0	4.0
4.	Discoloured Grains	Raw	3.0	3.0
		Parboiled/ single parboiled rice	5.0	5.0
5.	Chalky Grains	Raw	5.0	5.0
6.	Red Grains	Raw/Parboiled/ single parboiled rice	3.0	3.0
7.	Admixture of lower class	Raw/ Parboiled/ single parboiled rice	6.0	-
8.	Dehusked Grains	Raw/ Parboiled/ single parboiled rice	12.0	12.0
9.	Moisture content @	Raw/ Parboiled/ single parboiled rice	14.0	14.0

* Not more than 1% by weight shall be small broken.

** Not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.

Including pin point damaged grains.

@ Rice (both Raw and Parboiled/Single Parboiled) can be procured with moisture content upto a maximum limit of 15% with value cut. There will be no value cut up to 14%. Between 14% to 15% moisture, value cut will be applicable at the rate of full value.

NOTES APPLICABLE TO THE SPECIFICATION OF GRADE 'A' AND 'COMMON' VARIETIES OF RICE.

1. The definition of the above refractions and method of analysis are to be followed as given in Bureau of Indian Standard "Method of analysis for Foodgrains" No's IS: 4333 (Part-I):1996 and IS: 4333 (Part- II): 2002, "Terminology for Foodgrains" IS: 2813-1995 as amended from time to time. Dehusked grains are rice kernels whole or broken which have more than 1/4th of the surface area of the kernel covered with the bran and determined as follows:-

ANALYSIS PROCEDURE:- Take 5 grams of rice (sound head rice and brokens) in a petri dish (80X70 mm). Dip the grains in about 20 ml of Methylene Blue solution (0.05% by weight in distilled water) and allow to stand for about one minute. Decant the Methylene Blue solution. Give a swirl wash with about 20 ml. of dilute hydrochloric acid (5% solution by volume in distilled water). Give a swirl wash with water and pour about 20 ml of Metanil Yellow solution (0.05% by weight in distilled water) on the blue stained grains and allow to stand for about one minute. Decant the effluent and wash with fresh water twice. Keep the stained grains under fresh water and count the dehusked grains. Count the total number of grains in 5 grams of sample under analysis. Three brokens are counted as one whole grain.

CALCULATIONS:

$$\text{Percentage of Dehusked grains} = \frac{N \times 100}{W}$$

Where N = Number of dehusked grains in 5 grams of sample

W= Total grains in 5 grams of sample.

2. The Method of sampling is to be followed as given in Bureau of Indian Standard "Method of sampling of Cereals and Pulses" No IS: 14818-2000 as amended from time to time.
3. Brokens less than 1/8th of the size of full kernels will be treated as organic foreign matter. For determination of the size of the brokens average length of the principal class of rice should be taken into account.
4. Inorganic foreign matter shall not exceed 0.25% in any lot, if it is more, the stocks should be cleaned and brought within the limit. Kernels or pieces of kernels having mud sticking on surface of rice shall be treated as Inorganic foreign matter.
5. In case of rice prepared by pressure parboiling technique, it will be ensured that correct process of parboiling is adopted i.e. pressure applied, the time for which pressure is applied, proper gelatinisation, aeration and drying before milling are adequate so that the colour and cooking time of parboiled rice are good and free from encrustation of the grains.

ANNEXURE-II

The procuring agencies who has a designed place of business and minimum infrastructural facility as noted below will be given first priority.

1. Sufficient godown facility
2. Road for transportation
3. Weighing scale (Both electronic and manual)
4. Sample divider
5. Analysis kit
6. Set of sieves
7. Parkhi
8. Sample collecting pan
9. Moisture meter
10. Mini grader
11. Polythene bag
12. Tarpaulin/Polythene sheet
13. Waiting space
14. Drinking water facility
15. Toilet facility