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GOVERNMENT OF ODISHA
FOOD, SUPPLIES & CONSUMER WELFARE DEPARTMENT

PRESS BRIEF

Sub: Exemption of 2% CST and reimbursement of 2% Market fees on rice exported out of State by the Millers.

As per instruction of Government of India, the Odisha Rice and Paddy Procurement (Levy) and Restriction on Sale and Movement Order has been revised on the approval of the Hon'ble Cabinet in the year 2013. Under the new Levy Control Order, the commitment of Miller Agents to deliver rice under Levy to FCI has been reduced from 75% to 25%. That means, the Millers have to sell 75% of the Levy free rice in the open market.

Odisha has become a surplus State with respect to rice required under PDS and other Government schemes over last five years. There is a need to evacuate the surplus rice procured to outside States.

The Miller Agents are unwilling to participate in Levy procurement as they find it difficult to dispose Levy free rice due to tax imposed by the State Government for selling of Rice out of the State. They have requested to exempt 2% CST and 2% market fees on rice exported out of State so that the rice could be sold in a competitive manner.

The market fees of 2% on paddy are collected under OAPM Act. Exemption of 2% market fees on paddy used for exported rice may not be feasible as during the time of procurement of paddy, there is no indication as to whether the resultant rice would be exported out of State or consumed in the State. Therefore, reimbursement of market fees on the equivalent paddy for the rice to be exported out of State by the Miller is feasible and as such has been considered.

Exemption of 2% CST for the quantity of rice exported out of State has also been considered to make the prices of Levy free rice competitive.