

# ALL ODISHA RICE MILLERS ASSOCIATION

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Dated 27<sup>th</sup> September, 2013.

To,  
The Hon'ble Minister,  
Food Supplies & Consumer Welfare Dept,  
Government of Odisha,  
Bhubaneswar.

Sir,

**Sub: Arrangement of procurement during ensuing 2013-14 KMS.**

We are thankful to your honour for inviting us to discuss arrangements for procurement of Paddy during ensuing KMS 2013-14. A meeting with members of our Association was held to-day morning to discuss various issues. As per the discussions, we would like to submit some of the main points as follows:-

1. **Target:** The overall target may be fixed suitably keeping in mind to accommodate *ever increasing* pending delivery of carry over CMR.
2. **Levy:** In view of surplus stock with Government, Levy target may be kept on the lower side of about 50,000 MT.

Free-trading in rice needs to be encouraged to release un-manageable pressure of procurement on Government Agencies.

*As an incentive, sale of free sale rice out side the State should be exempted from the purview of payment of RMC fees and Central Sales Tax* as is prevalent in Chhatishgarh. It may be mentioned here that there is no tax on rice/paddy in the neighboring State of West Bengal. Moreover, Madhya Pradesh Govt. have recently exempted Rice Mills from purchase tax on paddy for own use.

Purchase of levy paddy at mill head be allowed and norms for purchase of free sale portion of paddy should be hassle free.

*Option for advance delivery of Levy to FCI* be re-introduced without necessitating compulsory milling of free sale portion of paddy. Miller will have liberty for milling of free-sale portion of paddy as per his requirement.

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3. **Procurement of FAQ Paddy:** Getting FAQ paddy is becoming more & more difficult. In order to clear the element of misconception in the farmers, *it may specifically be mentioned in the Food Policy that MSP is only for FAQ Paddy and purchase of sub-standard paddy below MSP will not amount to distress sale.*
4. **Revision of Milling Charges:** Revision of Milling charges of paddy is pending since more than a decade. Cost of various inputs have increased many fold and the present rate of Rs.20/- for Boiled and Rs.10/- for Raw needs to be revised to Rs.45/- & Rs.35/- per quintal respectively.

5. **Notes on CMR Operations:-**

- a) **Rice Lot Size:** The present system of both 20 & 27 MT Rice Lot size may be continued.
- b) **Delivery of Paddy at Mill Head:** PACS/WSHG/PP etc. neither have any infrastructure to check paddy quality nor they have any intention to use the same. Since all the infrastructures are readily available at mill head, they may be asked *to deliver procured paddy at the designated mill head of the tagged mill.* Millers will not claim loading and transport charges on such delivery. However, millers will continue to provide empty gunny bags as usual to facilitate packing and transportation of paddy to mill-head.
- c) **FCI may be involved** at least at some places for Paddy quality checking *to bring quality awareness amongst farmers and Societies.*
- d) Procurement needs to be done in a programmed and phased manner on monthly basis *to avoid quality problem due to long storage.*
- e) **Security Deposit:** Requirement of security deposit during new KMS 2013-14 may be lowered compared to current KMS 2012-13 to ensure proper compliance. *Option for furnishing security deposit in shape of both Bank Guarantee as well as Fixed Deposit may be allowed as per convenience of the miller.*

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- f) **No deduction towards insurance premium** from custom millers on custom milling Paddy/Rice belonging to the State Procuring Agencies.
- g) **Supply of Good Quality Gunny Bags:** Supply of New Gunny bags with poor texture and less weight is a continuous problem. Some serious thought needs to be given. *We strongly suggest developing a system to record actual weight of each consignment on the bill and dispatch documents by getting it weighed on weigh bridge while taking delivery from Jute Mills.*
- h) **Delivery of CMR to FCI:**
- i) Delivery of rice to FCI and outward movement is picking up but there is no end to the millers' hardship. The unruly and extracting tendency of laborers needs to be checked *who behave like "Super technical persons"* dominating over the actual Purchase Officers.
  - ii) Millers have to pay hefty unloading/re-loading charges to laborers. *Hence forth, the labour sardar should grant a money receipt acknowledging receipt of such unloading/re-loading charges for our accounts voucher purpose.*
  - iii) Decision for district wise proportion for delivery of CMR to FCI may be taken at the beginning of the KMS.
  - iv) Release of miller's bill after deducting actual rebate, if any on the basis of final Acceptance Note issued by FCI *without with-holding any amount. Steps may also be taken for refund of earlier with-held amounts.*
- i) **CMR operation with other agencies:** Final settlement of bills is pending and the millers are in dark about transport charges applicable for Paddy and Rice for Agencies like Markfed, Nafed, Tdccl etc.

**Procurement by Nafed is going down** every year which is quite unfortunate. They should stand up to regain their lost glory.

- j) **Other Misc. matters:** *Not allowing 1% driage on paddy for Raw Rice* to the millers of Gajapati and also in some cases in Bolangir *in total defiance to Head Office instructions* is surprising. Millers were forced to deliver equivalent rice without claiming shortage. As such, payment in lieu of shortage as per Govt. of India costing sheet to the eligible millers may be considered as was done till earlier year.

**Refund of old security deposit** has picked up momentum. Efforts may continue to ensure refund of all old pending security deposits upto KMS 2008-09 by end of March,2014. All CSOs may be impressed upon to co-operate in this matter.

**Settlement of insurance claims for cyclone damage** in some rice mills be made on priority basis for releasing payment of pending bills of millers which are being kept with-held.

We hope that your honour will be kind enough to consider our above suggestions while formulating new Food Policy for KMS 2013-14. A delegation from our Association may be involved for discussions on proposed Operational Guidelines and Agreement before being finalized by Oscsc.

Assuring our full co-operation, we remain,

Yours faithfully,

Copy to: 1) Commissioner-cum-Secretary, FSCW Dept.  
2) Managing Director, Oscsc Ltd.

(Shyamlal Agarwal),  
President.