

# ALL ODISHA RICE MILLERS ASSOCIATION

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

Telefax: (0674) 2580933, 2583933

President: Shyamlal Agarwal (94370 51951)

Secretary: Santosh Kr. Agrawal(094330 11631)

Visit us at [www.aorma.in](http://www.aorma.in)

Email: [secretary.aorma@gmail.com](mailto:secretary.aorma@gmail.com)

---

Dated 11<sup>th</sup> November, 2013.

To,  
The Commissioner-cum-Secretary,  
Food Supplies & Consumer Welfare Dept,  
Government of Odisha,  
Bhubaneswar-751001.

Dear Sir,

**Sub: Procurement operations during KMS 2013-14.**

Most respectfully, we would like to bring to your kind notice that a meeting of our Association was held today at Hotel HHI, Bhubaneswar to discuss the Food Policy, Custom Millers' Agreement with Oscsc Ltd and the newly notified Levy Control Order, 2013. More than 180 members from all over the State participated in the meeting. In view of the discussions and deliberations made during the meeting, we give below some of the main issues for your kind consideration:-

1. ***Linking of CMR with compulsory participation under Levy Scheme does not appear to be feasible.*** Baring few, most of the millers in our State are not equipped with the required finance and ability to handle open market strategy. Participation under Levy scheme may be made optional for the willing millers.
2. In addition to the cyclone affected districts, ***paddy crop has been affected*** in most of the other districts also due to continuous rains and floods during last month. This is likely to increase the damage, immature and discolor percentage in the resultant rice and meeting the requirement of the rice specification is a very difficult task. ***In view of this, the delivery percentage of CMR to FCI may be considered at 20 to 25% for most of the districts while a higher percentage may be considered for "Super Surplus Districts".***
3. ***Participation of millers with other procuring agencies like Nafed, Markfed & TDCC is gradually coming down*** every year due to continuous problem in finalization of accounts and non-payment and/or payment of much lower TC on Rice & Paddy in comparison to what was paid two years back and in earlier years. Some serious thought is needed to make participation with agencies viable to check the increasing pressure on Oscsc Ltd.

Contd.... 2..

4. There is a ***need for a FCI depot at Gunupur in Raygada district***. This matter was also raised by millers during Food Policy Meeting for KMS 2013-14 being chaired by Hon'ble Minister, FS&CW Dept. As such, FCI may be requested to operate a depot of its own or through SWC/CWC to facilitate delivery of Levy/CMR by local as well as the millers of surrounding area.
5. As per the ***Levy Control Order, 2013*** rice millers are required to deliver 25% of the procured stock as Levy to FCI as against earlier 75% as levy. Similarly, millers are allowed to avail 75% under free sale. However, ***disposal of 75% under free sale is very difficult under the present higher taxation regime***. In order to boost free-trading in rice, some remedial measures are required to reduce the tax burden on Free-Sale Rice as well as implementation of some user friendly procedures on purchase of free-sale account paddy to suit the open market requirements.

While detailed submissions in this matter will be submitted shortly, we suggest ***a) withdrawal of additional 1% RMC Fees on Paddy*** which was imposed in the name of development of infrastructure w.e.f. KMS 2007-08 vide Govt. Notification No.1881/Co-op dated 4.2.2008, ***b) exemption from 1% RMC fees on rice*** and ***c) exemption form 2% Central Sales Tax*** on rice sold out side the State.

The above measures are likely to enable our Rice Milling Industry to compete with other neighboring States in promoting and marketing free-sale rice in a big way.

We therefore, most humbly request your honour to kindly consider our above submissions in the interest of smooth paddy procurement operations and oblige.

Yours faithfully,

Copy to: Managing Director, Oscsc Ltd,  
Bhubaneswar.

Sd/-.  
(Santosh Kr. Agrawal),  
Secretary.