

# ALL ODISHA RICE MILLERS ASSOCIATION

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

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Dated 24<sup>th</sup> August, 2012.

To,  
The Hon'ble Minister,  
Food Supplies & Consumer Welfare Department,  
Government of Odisha,  
Bhubaneswar-751001.

Sir,

## **Sub: Formulation of Food Policy for ensuing 2012-13 KMS.**

We thank your honour for inviting us to the meeting for discussing various issues on arrangements for procurement of paddy and formulation of Food Policy for ensuing 2012-13 KMS. After considering the views of the majority of the millers from different districts, we would like to submit our suggestions as follows:-

1. **Target:** The initial deficit in rainfall in some districts is already made up due to recent rainfall and *an overall good paddy harvest is expected*. Therefore, a *tentative target of about 30 lakh MT may be fixed*. Oosc may be given more share of procurement in consuming districts. *A cluster of few districts may be tagged with nearby surplus districts to minimize long distance transportation.*

Agencies like Markfed, Nafed may be allowed to assess their own district wise target as per availability of infrastructure.

In districts where Rabi Crop is not available like coastal belt, purchase of Khariff crop may continue for about 6 months *to keep rice mills viable by functioning for at least 8 to 9 months*. Some districts like Khurda, Nayagarh and Gajapati etc. need more target than usually allotted.

2. **Levy:** It has practically no role in present day scenario of Surplus Food Grains Stock and that too when existing godown capacity is unable to accommodate even CMR from the State Agencies. Levy rice rates are non remunerative. There is a gap of Rs.195/76 per qtl between the rates of common boiled Levy Rice and rates of CMR for KMS 2011-12.

*Fixed Target Levy, as was prevailing during 1980 and earlier years may be re-introduced.* This will allow millers to avail free trading in rice after delivery of nominal Levy Target fixed by the Collector.

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3. **Procurement of Raw Rice:** There may not be any restriction on procurement of either Raw or Boiled Rice and the millers may be allowed to function as per infrastructure available with them subject to delivery of rice at some specific locations depending upon the consumption pattern of the area.
4. **Procurement of FAQ Paddy:** Availability of FAQ paddy is very difficult. Proper infrastructure for cleaning, grading etc. is not available and millers have to compromise on quality of paddy. Moreover, there is a misconception in the minds of farmers that MSP is applicable even for sub-standard or non FAQ paddy. ***Therefore, it may be specifically 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.***
5. **Paddy receipt at Mill-head:** In many areas, proper Mandi does not exist. Market yards are also not available. Therefore, ***receipt of paddy under supervision of Government Official at Mill-head may be re-introduced in areas where mandi facility is not available.***
6. **Implementing Trial Milling Results:** Government of India may be moved to implement the results of test milling of paddy being conducted in the State of Odisha during 2004-05 under supervision of technical experts from CRRI, Cuttack, FCI & Odisha FSCW Dept. ***The average OTR for Raw & Boiled Rice was found at 64.81% and 66.35% as against the existing specification of 67% & 68% respectively.*** (Refer copy of report at Page – 266 of Assn. Booklet Vol-4). ***Report is also available with Odisha FS & CW Dept.***
7. **Rice Lot Size:** The present system of both 20 & 27 MT Rice Lot size may be continued as usual.
8. **Stock verification:** Rice Mill is a processing industry being subjected to frequent checks and raids by various Government departments. Conversion of paddy into rice takes place round the clock and the physical stock of Paddy as well as Rice goes on changing at every moment. It is quite impossible to match item wise physical stock of “Rice or Paddy” at a given point of time due to this continuous process apart from normal shortage due to driage etc. ***Therefore, in course of verification, discrepancy should only be arrived after considering both Paddy and Rice as one single item after conversion of Paddy into Rice or vice versa.*** For example, a shortage of Qtls.300 in paddy should nullify an excess of Qtls. 200 in rice. ***Suitable guidelines need to be issued in this regard to avoid undue harassment to the millers.***

9. **Procurement by other district miller:** Millers from other districts may be allowed to procure from nearby districts in case of surplus paddy or insufficient milling but first priority may be given to the local millers. While allowing other district millers, emphasis may also be given on millers from deficit or consuming districts ***in order to utilize the resultant rice for local consumption in the district where paddy is being milled.***
10. **Procurement by PACs:** More and more dependence on PACs may prove suicidal. Most of the PACs do not have any infrastructure and fail to provide any services. District Civil Supply officials do not have any effective control over them and a sense of monopolistic attitude have already developed amongst the PACs. ***Therefore, as per earlier practice, direct PPC by Ossc may also continue where ever feasible (at least one against every one or two revenue blocks of a district) to counter any possible untoward situation in the greater interest of farmers.***
11. **Milling Charges:** The present rate of milling charges was fixed about 12 years back and has not been revised since then. Cost of electricity, diesel and all other inputs have increased many folds and the existing rate of milling charges at Rs.10/- for Raw Rice & Rs.20/- for Boiled Rice needs an immediate increase of Rs.30/- per quintal. ***Since Govt. of India has failed to consider this, the State Procurement Agencies should pay additional milling charges as is being done in the State of Chhatishgarh.***

**12. Notes on CMR Operations:**

- a) Delivery of only FAQ Paddy to millers ***by ensuring proper quality check*** at paddy purchase centers.
- b) Delivery of paddy to individual miller ***as per milling capacity and past performance.***
- c) ***Security deposit in shape of BG or FDR or solvency certificate @ Rs.5 lakh for per MT Rice per hour production capacity*** (or per 8 MT Rice per shift of 8 hour's production). Additional requirement of solvency certificate over and above BG or FDR may be abolished.
- d) ***The standard time for delivery of rice to be continued at 120 days.*** Beyond this also, no deduction of holding charges may be made except in case of intentional and deliberate delay by a miller.

- e) **Rice handling charges** for delivery at RRC/Oswc/CWC @Rs.7/- per qtl and for delivery at FCI @15/- per quintal.
- f) Development & hiring of **additional godowns for timely acceptance of CMR without depending much on FCI because of failed commitments.**
- g) In view of continuous increase in diesel prices, Minimum TC be revised to Rs.12/50 per qtl for 1<sup>st</sup> 10 KM and @ Rs.0.65 paise per quintal for distance beyond 10 KM for both Paddy and Rice. **Possibility of appointing Handling & Transport contractor for delivery of paddy and lifting of rice from mills may also be explored.**
- h) **No deduction towards insurance premium** on Custom Milling Paddy & Rice as the stock belongs to the State Procuring Agencies.
- i) Release of old security deposits on priority basis. **The unfortunate fact is that no body is bothered about it, be it a District Office or Head Office.**
- j) Making arrangements to take back defective & damage gunny bags by Oscsc after deleting the same from millers' account. This matter is pending since several years.
- k) Non-settlement of accounts, payment of old dues and appropriate T.C. by Markfed, Nafed & TDCCL.

Sir, we hope that your honour will be kind enough to consider the above suggestions while formulating the new policy for ensuing KMS 2012-13. A subsequent meeting may kindly be called during next fortnight to discuss various matters relating to OSCSC before the operational guidelines are finalized by Odisha State Civil Supplies Corporation for KMS 2012-13.

Assuring our full co-operation, we remain,

Yours faithfully,

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

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