



File no. Proc.I/23(12)/Cord. Commit meeting/KMS 2016-17

Dated: 22.10.18

The General Manager(Region)

Food Corporation of India,

Regional Office,

Andhra Pradesh/Karnataka/Madhya Pradesh/Maharashtra/Rajasthan

Subject: Procurement of Pulses during KMS 2018-19 under PSS Scheme:- Action plan.

Ref. 1. DAC&FW letter no. L-15016/10/2018-MSP dated 11.10.2018 enclosing therewith amended guidelines for price support scheme (PSS)

2. This office email dated 15.10.2018.

Sir/Madam,

As you are aware that FCI as one of the central nodal agencies will undertake the procurement of kharif pulses exclusively in the state of Andhra Pradesh and along with NAFED in M.P, Maharashtra, Rajasthan, Karnataka in order to provide a remunerative and stable price environment to grower/farmers for their produce. The procurement operations are to be rolled out as per the terms and conditions stipulated in the amended PSS guidelines issued under the umbrella scheme PM-AASHA by Cooperation Division, Department of Agri., Cooperation and Farmers Welfare (Ref. 1) .

The amended PSS guidelines have been circulated to all the pulse procuring regions of FCI vide this office email dated 15.10.2018. However, certain salient features are being highlighted herewith so as to facilitate and systematize the procurement operations under PSS guidelines in a transparent and efficient manner.

1. FCI (the central nodal agency) shall appoint it's state/primary agencies in consultation with respective State/UT Governments by entering into an MOU by 23.10.2018 with a clear provisions of procurement modalities. A model MOU for this purpose has already been emailed separately.
2. The procurement centres for the pulse procurement are to be opened in consultation with respective state govt. Pulses conforming to FAQ norms are to be purchased from registered farmers whose details like name of crops sown/harvested, Aadhaar Number, Bank Account Number, Mobile Number, quantity to be sold and other related land record information has been verified and authenticated by the State Govts. It will be responsibility of state govts. to notify the relevant land revenue documents which are required to be produced before the procuring agencies to prove the genuineness of the farmers. While deciding the area of operations, it will be ensured that there is no duplication of work and/or overlap of PSS operations by more than one central agency in the same area.

3. FCI may provide technical support to the State and primary agencies relating to the procurement operations, if sought for by them.
4. FCI shall release 100% of MSP value and 50% of incidental expenses to the State agencies within 3 days from receiving the stock if delivered in FCI godown and if delivered in CWC/State Godowns within 3 days of hypothecation of it in their name. FCI need to ensure that the stock stored in warehouse conforms to FAQ. If at any stage, it is found that there is any deviation from FAQ norms of stock hypothecates in their name, loss shall be borne by FCI. Adequate precautions need therefore be taken at the time of acceptance and during storage of stock.
5. Overall quantity of procurement will be restricted to 25% of the actual production of the commodity in a district for that particular season. In case variation in any district beyond +/- 20%, specific reasons may be recorded. In case State Govt intends to procure over 25% of production, the state govt. may do so at their own cost and through its own agencies. If the state govt. intends to procure quantities beyond 25% and up to 40% of production through central agencies then the States govt. will use the same for their PDS and other welfare schemes, at their own cost.
6. The services charges to the FCI will be payable @1% on the MSP value of procured stock and 0.50% on disposal value on disposal of procured stock. Additionally, a maximum of 2% service charge will be paid to procuring agencies at the State/procurement level. Procurement by the State level Marketing Federation shall be made through the Primary Cooperative Societies in which service charges@1%(out of total 2%) shall be paid to primary societies. If there is no primary society functional in particular area as certified by the State Government, the State Agencies/ Federations would be paid 2% service charges provided they open and manage the procurement centres as per the guidelines.
7. Wherever and whenever FCI godowns are not available, CWC/SWC godowns will be utilized for storage of procured stock. Payment to the procuring agencies will be made within 3 days after the receipt of clear acceptance note/WHR.
8. It is to be ensured that payment to the farmers are released by the SLS/ Procuring agencies to their individual bank account provided at the time of registration through RTGS or NEFT within three days from actual delivery to the procuring agency.
9. Maximum 50 bags (50 kg each) of produce shall be purchased from one farmer in one day.
10. The State Govt. shall made all necessary arrangement like booking of CWC/SWC godowns, identification of procurement centres, arrangement of gunny bags, GPRS enabled transportation facilities, weighing machines, moisture/foreign matters/oil content testing machines etc. in consultation with FCI/state agencies. The cost of transportation upto 30 KM from procurement center to the storage place will be borne by central governments.

11. Adequate publicity of PSS operations like MSP of the crop, name and address of the procurement centre, procurement period, documents required for farmer registration and identification along with contact details of Area Manager or suitable officer authorised by him, be made.

In addition to ensuring compliance with the above mentioned PSS guidelines, GM(Region) is advised to take following steps to ensure the achievement of procurement targets and extension of the benefits of MSP to the growers/farmers:

- A. General Manager (Region) to ensure that there is no inadequacy on the part of state level agency in terms of arrangements for smooth procurement operations such as, the appointment of the Mandi Labour Contractors, Handling and Transport Contractors, provision of labour, placement of gunnies, wooden crates, moisture meters, polythene covers and all other arrangements. State level agencies to ensure adequate arrangements for safe custody of stock till its delivery at the godown.
- B. It should also be ensured that all weighbridges and weighing scales in the depots are certified by Weights & Measurement Department and kept in a proper working condition. Similarly, weights in use should be duly stamped by Weights and Measurement Department.
- C. All out and concerted efforts be made for achieving the targets. Responsibility for achieving the above targets may be assigned upto the level of Area Managers. There should be regular meetings between the representative of the procuring agencies and FCI to monitor the progress in procurement, payment to the farmers, delivery and storage of procured stock, reimbursement of procurement expenses to the State level agencies etc.
- D. It is to be ensured that state level procuring agencies adhere to the laid down procedures in the matter of bidding, inspection, quality analysis, weighment, movement, storage and dispatches from the regulated markets/purchase centres.
- E. The procurement centres and storage depots should be linked in such a manner that transport and handling costs are minimum. Optimum utilization of the FCI's vacant storage space should also be ensured.
- F. A proper programme in consultation with the procuring agencies should be chalked out for immediate clearance and liquidation of the procured stocks from the Mandis/procurement centres.
- G. Supervisory and other Senior Officers should be on the move for close supervision of procurement operations for which inspection programme should be drawn up and implemented. They should specifically check whether the directions contained in the PSS guidelines are being followed or not and due efforts are being made to achieve the targets.
- H. The stencil on gunnies should indicate:

- a) Name of the commodity.
- b) Name of the Region/ Area Office
- c) Year of purchase
- d) Name of the Purchase Centre/Mandi.
- e) Nett. weight.
- f) Name of the Procuring Agency.

The stenciling should be made in the colour prescribed for KMS 2018-19 by DFPD.

I. WEIGHMENT:

At Purchase Centres

At purchase centres, 100% weighment and standardization of stocks, purchased has to be ensured. Similarly, 100% weighment of the stocks procured by the State Agency and handed over to the FCI at the godowns or other point (first receipt point) is also to be undertaken. In order to expedite weighment operations, all available weigh bridges including private weigh bridges must be used. FCI depots should be linked with purchase centres so that stocks pass through weigh bridges.

Records related to average weight of gunny bag used for procurement may be maintained at the purchase centre after conducting test weighment of the gunnies periodically. Gummies fulfilling standard specifications should only be used for procurement of pulses.

J. TRANSPORTATION OF STOCKS PURCHASED:

The stocks purchased will be dispatched by the State agency to the nominated/linked storage depots. The State agency shall maintain proper records of dispatches showing name of the consignee depot and send complete dispatch documents to the depot concerned. They should obtain clear acknowledgement from the consignee depots regarding the quantity and quality of pulses dispatched by them from the purchase points. There should be no variation between the quantity and quality of the stocks dispatched by them and those acknowledged by the consignee depots.

All the pulses purchased in a mandi in a day should preferably be moved out of the purchase centre on the same day or on the next day. There should not be any delay in movement. The movement out of the purchase points should be undertaken during day time to ensure that the stocks reach the depots on the same day. There should be periodical reconciliation of stocks purchased at purchase center, stocks dispatched from purchase center and stocks received at the depot and payment against stocks purchased. Similarly the gunny account should also be reconciled periodically. The periodicity in reconciliation of stocks as well as gunnies should not be more than one week.

In exceptional circumstances, when the procured stocks have to be kept at the purchase centres overnight, proper protection/security arrangements for the same should be ensured.

The stocks as far as possible be kept separately from other commodities.

K. STACKING:

The stocks received in the depot should be properly stacked as per the Stack Plan. Suitable dunnage material must be used for stacking and the floor pre fumigated before building the stack. As far as possible, identity of the stocks should be maintained Mandi-wise/Procurement centre-wise.

L. SALE/OFFTAKE OF STOCKS:

Soon after the cessation of procurement, the State Govt shall be requested to indicate the requirement of pulses in various welfare schemes. If the States fails to communicate the requirement, the stocks shall disposed off by E- auction platform following FIFO principle. The exact timing of disposal and reserve price at which disposal has to be made shall be decided by FCI, HQrs keeping in view the PSS guidelines.

M. DISTRESS SALE COMPLAINTS:

During the procurement season, Headquarters often receives various complaints about distress sale of stocks. At times, complaints of inefficient working of purchase centres, from various sources, including Ministry of CAF&PD/ GOI are also received. All such complaints are to be attended on "TOP PRIORITY" for remedial action and report furnished to the Headquarters within 3 days. Sincere efforts must be made to avoid any scope for such complaints altogether. However, if complaints are received, these must be meticulously gone into, sorted out/settled in consultation with SLS and Action Taken Report be furnished to the Headquarters.

N. IMPORTANT:

The outlined above contains only broad guidelines. Compliance to the instructions issued separately by headquarters for various specific subjects mentioned in this "action Plan", must be ensured.

ED (Zone)/GMs (Region) who are sufficiently aware of the ground realities and local problems, may take suitable actions to plug any loopholes in the system to safeguard the interest of the farmers and FCI. In case they feel any systemic changes are required to be made where interventions of Hqrs. is essential, they shall find themselves free to make any such reference to Hqrs. with full facts and their recommendations.

- O. It is to be ensured that the total quantity of the stocks received in the depot, both in terms of the number of bags and weight is thoroughly checked at the time of receipt. Strict vigil should be kept for the duration between actual time of dispatch of stocks from purchase centres, and the time of receipt at the depot. Besides, the number of trucks, bags and quantity dispatched should be tallied with receipts, on daily basis. It should be ensured that there is no difference between the weight purchased and paid for and the weight received and recorded in the depot. The quality of the stocks should also be checked thoroughly as per prescribed specifications.
- P. The stocks accepted for storage at the storage point must be preserved by the QC staff posted in the godown as per the procedure prescribed in the QC Manual and instructions issued by the QC Division of Headquarters, from time to time.
- Q. Team/Squads of Quality Control Officers and other Senior Officers should be formed and assigned the task of continuous touring of mandis, purchase centres and storage godowns for thorough inspection of all aspects of the operation. The quality examination will not be confined to the periphery of the stacks only. Instead, the quality examination should be made by random checking of the bags in case of the stocks in core of the stack, by removal of some of the bags in different layers.

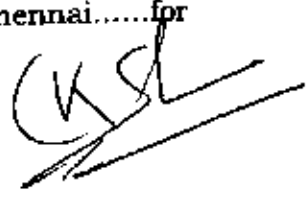
This issues with the approval of Competent Authority.

Yours faithfully

(K.C. Sahu)
General Manager(Proc.)

Copy to:

1. ED(Zone), FCI, Zonal Office(North/West/South), Noida/Mumbai/Chennai.....for information and necessary action please.
2. ED(Finance),FCI, Hqrs, New Delhi.
3. PS to CMD, FCI, Hqrs


General Manager(Proc.)