OFFICE MEMORANDUM

Subject: Procurement of Pulses under Price Stabilisation Fund (PSF) operation by Department of Agriculture, Cooperation & Farmers Welfare

The Department of Agriculture, Cooperation & Farmers Welfare, Government of India launched the Price Stabilisation Fund (PSF) Scheme in March 2015 with a view to control volatility in prices of agri-commodities in order to bring relief to consumers. The Department is accordingly, undertaking market intervention operations from time to time and has also supported willing States to undertake similar operations.

2. During recent times the prices of pulses specially Arhar (Tur) and Urad have witnessed unprecedented price rise. This is primarily due to shortfall in production and speculative activities. In order to control price the Government has taken various measures not only to enhance acreage and yield in production but also by way of pulse import, anti-hoarding measures etc. To further supplement and provide an effective measure for price control, it has been decided to procure Arhar and Urad pulses at the prevalent market rates, during the Kharif 2015 season, directly from the farm gate/mandis as prices generally fall at time of fresh market arrivals. This would ensure not only remunerative price to the farmers but also enable the Government to procure at a reasonable price for building its buffer stock for future timely interventions in market for price control.

3. With a view to achieve the desired objective of building of targeted buffer stock, particular attention to the following is required:-

3.1 Pulses may be purchased by procuring organization by participating in the auctions in mandis. The procurement agency may decide the mandis in which procurement is to be undertaken. The procuring agency may also open procurement centres as considered necessary.

3.2 A Coordination Committee of CMD, FCI, MD, NAFED, MD, SFAC may meet periodically and review the procurement operations. The Committee may be chaired by senior most officer. The Committee may also decide on the price band in which the purchase will be done in mandis.

3.3 State Governments shall provide necessary support to the purchase agencies in providing necessary mandi level data. The concerned agencies will keep the Secretary (Agriculture) /Agricultural (Marketing) of the concerned State informed about the purchase made by them on weekly basis

3.4 FCI will collect daily statement of procurement from all three agencies and compile the same and forward it to concerned Ministries/Departments of the Government.

3.5 The specifications of Tur finalized in the 20th meeting of PSFMC dated 18.11.2015 are enclosed at Annexure-I. Specifications of Urad as finalised and issued vide letter dated 25th November, 2015 are at Annexure-II.
3.6 For preservation of procured stocks necessary arrangements may be made by the procuring/storage agency. FCI, being the most experienced organization for quality control operations, may issue suitable guidance, as necessary, to storage agencies. FCI may also consult Indian Institute of Pulses Research, Kanpur, an organization of ICAR as required. Pulses procured under these operations shall be packed in new gunny bags.

3.7 At the end of each month, the agencies will intimate Department of Consumer Affairs (DOCA) about quantity of pulses procured by them. DoCA shall seek requirement of these procured pulses form State Governments and will decide on distribution of the procured quantities amongst States. The States will lift the pulses from the godowns where the pulses have been stored on as is where is basis. In case States do not lift either full or a part of the procured pulses, these pulses will be offered by DoCA to agencies like Kendriya Bhandar, Mother Dairy for sale through their outlets. Alternatively, these pulses may be sold in open market on NCDEX or any other electronic platform in a transparent manner. The procured pulses will be disposed off within one year of end of procurement period to consumers. Any subsidy on disposal of these pulses may be decided by Agriculture Ministry on the recommendation of Committee of Secretaries.

3.8 The respective organizations will follow their existing procedure for maintenance of accounts and its audit.

3.9 The procurement period for Kharif pulses is from 15.10.2015 to 15.02.2016 and for Rabi pulses is from 15.03.2016 to 15.07.2016.

4. All concerned are requested to take necessary action for ensuring that the targeted procurement operations for Urad and Arhar are completed in time.

(Vijay Pratap Singh)
Under Secretary (Marketing-II)
Telefax No.011-23386235

For necessary action to:-
1. Chairman, Food Corporation of India.
2. Managing Director, National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), New Delhi.
3. Managing Director, Small Farmers Agri-business Consortium (SFAC), New Delhi.

Copy to :-
1. Chief Secretaries of States of Andhra Pradesh, Telangana, Maharashtra, West Bengal, Bihar, Madhya Pradesh, Uttar Pradesh, Rajasthan and Karnataka with the request to support the agencies in procurement of pulses.
2. Secretary, Department of Consumer Affairs, Krishi Bhawan, New Delhi.
3. Secretary, Department of Food & Public Distribution, Krishi Bhawan, New Delhi.

Copy, for favour of information, to:-
1. Cabinet Secretary, Cabinet Secretariat, Rashtrapati Bhawan, New Delhi.
2. Secretary, Department of Animal Husbandry, Dairying and Fisheries, Krishi Bhawan, New Delhi.
3. Secretary, Department of Agricultural Research and Education, Krishi Bhawan, New Delhi.
5. PPS to Secretary(AC&FW)/Special Secretary(Marketing)
6. PS to ESA/JS(Marketing)/JS(Crops)
Detailed Quality Specifications

- Pulses shall be from new crop with reasonable uniform size, shape and colour.
- Pulses shall be sweet, sound, clean, wholesome and free from moulds / fungus, live insects, obnoxious smell, discolouration /artificial colour, admixture of deleterious substance and all other impurity except to the extent indicated in the schedule.

**SCHEDULE FOR SPECIFICATION**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Refractions</th>
<th>Maximum Limit</th>
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| 1     | Foreign Matter               | 2.0 % by weight  
        |                               | (of which not more than 0.25% by weight shall be mineral matter and not more than 0.1% by weight shall be impurities of animal origin) |
| 2     | Admixture                    | 3.0 % by weight                                                              |
| 3     | Other Edible grains          | 1.0 % by weight                                                              |
| 4     | Damaged grains /Slightly damaged | 3.0 % by weight |
| 5     | Broken /Split / Unhusked     | 3.0 % by weight                                                              |
| 6     | Weevilled Pulses             | 3.0 % by count                                                               |
| 7     | Moisture                     | 12.0 % by weight                                                             |
| 8     | Immature and shrivelled      | 3.0% by weight                                                               |
| 9     | Uric Acid                    | As per FSSAI norms, at time of sale of stock                                 |
| 10    | Aflatoxin                    |                                                                                |

Remarks

1. Quality specifications shall conform to prescribed norms under Food Safety & Standards Act, 2006/Rules thereunder at the time of sale of stocks.
2. The method of sampling is to be followed as given in Bureau of Indian Standard “Method of Sampling of Cereals and Pulses” No. IS:14818-2000 as amended form time to time.

Definitions:

1. Foreign matters include dust, stones, lumps of earth, chaff husks stem, straw or any other impurity including non-edible seeds.
2. Admixture implies any pulse other than the principal pulse.
3. Damaged pulses are those that are internally / damaged or discoloured to such an extent that the damage or discoloration materially affects the quality of the pulses.
4. Slightly damaged pulses are those pulses that are superficially damaged or discoloured such damage or discoloration not materially affecting the quality of the pulses.
5. Immature, shrunken, shrivelled and unripe pulses are those that are not properly developed.
6. Weevilled pulses are those pulses that are partially or wholly bored or eaten by weevil or other grain insects.
Revised Uniform Specifications for URAD –Whole
[Kharif Marketing Season -2015-16]

Detailed Quality Specifications
- Pulses shall be from new crop with reasonable uniform size, shape and colour.
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**Modified specifications for procurement of Urad for creating Buffer Stock**
*(vide OM No.18011/7/2015-M.II dated 25th November, 2015)*

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