THE FOOD CORPORATION OF INDIA
HEADQUARTERS: NEW DELHI

No. STK/RL/Misc./NZ/11/Vol.III/581

Dated: 12.12.12

CIRCULAR

Sub: Norms for Storage Loss/ Gain in wheat and rice for central pool stocks

Ref: (i) Ministry of CAF & PD letter F.No. 6-1/2008-S&I dated 24.11.2011
(iii) Ministry of CAF & PD letter No. 176(2)/95-PY.I (Vol.III)
dated 28.10.2003
(iv) Ministry of CAF & PD letter No. 176(1)/ 2002-PY.I dated 25.08.2003
(v) Ministry of CAF & PD letter No. 176(2)/ 95-PY.I (Vol. II)
dated 25.11.1999
(vi) FCI ,Hqrs’ letter No. E.12(5)/82-Stg.VII / CWC / Vol. III
dated 12.09.1990

Kind attention is invited to the above references.

2. The matter regarding fixation of norms for Storage Gain/ Loss in Wheat and Rice for the Central Pool Stocks held by FCI, State Agencies, CWC, SWCs and in Godowns under PEG Scheme, has been attracting the attention of the Management for quite some time. The matter was placed before the Board of Directors in its 350th meeting held on 27.09.2012 proposing certain set of norms for Storage Gain/Loss in wheat and rice. Based on the directions of the Board of Directors, the matter was referred to Govt. of India.

3. The Govt. of India has approved the Tentative / Adhoc norms for Storage Loss/ Gain in wheat and rice as conveyed vide its letter F.No. 6-1/2008- S&I dated 20/21.11.2012 [copy enclosed]. In supersession of all previous instructions, the norms as approved by Govt. of India may be followed by field functionaries.
4. It should be noted that norms are purely adhoc and interim. In the same context, FCI has already entrusted a study to ICAR for determining the Storage Loss/ Gain in wheat and rice. Till such time the report of ICAR is received, the Storage Loss/ Gain norms as mentioned in GOI’s communication dated 20/21.11.2012 may be followed by the Field functionaries. It should be noted that the storage loss norms are only upper limits. It should also be the constant endeavour of all concerned that the losses are contained at the lowest possible level.

5. Further, normative practices for recording the correct moisture content of foodgrains at the time of receipt, during storage and at the time of issue, should be strictly followed by all the Technical and depot personnel engaged in storage and preservation of foodgrains. In order to minimize operational losses in godowns / warehouses, scientific code of storage practices of foodgrains should invariably be followed by all the Technical and depot staff posted at the depots.

6. It would be observed that full allowance for weight loss for driage of moisture between 15% and 14% has been provided in the Storage Loss Norms for rice. For subsequent driage i.e. from 14% moisture level to below, the allowance @ 0.7% for every 1% driage has been allowed. It may be noted that these norms are to be applied only after conducting a thorough investigation /analysis of the storage loss occurrence.

7. It has also been decided that while communicating the monthly trend of storage loss in rice, the procuring regions shall additionally indicate the net storage loss as well as its percentage after making adjustment of the quantity for which the full value cut has been realised in respect of the quantity of rice procured with moisture content above 14% upto 15%. In other words, the quantity equivalent to the amount of full value cut realised on account of moisture in a stack (taking the per Quintal rate of rice as per cost sheet of the
respective crop year into consideration) may be deducted from the gross/total quantity of storage loss in that stock in order to arrive at net loss. The benefit of full value cut may also be extended while fixing the responsibility for abnormal storage shortages.

8. These norms shall be applicable to all agencies including the godowns managed under PEG Scheme.

9. These instructions shall become applicable from the date of issue of this circular and shall not have any retrospective effect.

Encl: as above

[Signature]
Daljit Singh
General Manager [Stocks]

Distribution:
1. All Executive Director (Zone)
2. All General Manager (Region)

Copy to:
1. All EDs/ CGMs/Head of Division, FCI, Hqrs., New Delhi.
2. PS to C& MD.
3. MD, CWC, New Delhi.
F. No. 6-I/2008-S&R
Government of India
Ministry of Consumer Affairs, Food & SD
(Department of Food & Public Distribution)

Krisht Bhavan, New Delhi
Date: 20th November, 2012

To
The Chairman and Managing Director,
Food Corporation of India
16-20, Barakhamba Lane, Connaught Place,
New Delhi-110001.

Subject: Fixation of storage loss/gain norms in wheat and rice regarding.

Sir,

I am directed to refer to letter No.STXS/RJ/Min/ NZl/11/ Vol-IId dated 9th October, 2012 regarding fixation of norms for storage loss/gain in wheat and rice and to state that the recommendation of the sub-committee constituted by FCI for fixing the norms for storage loss/gain in wheat and rice accepted by the Board of Directors of FCI in its 350th meeting held on 27.9.2012 has been approved except to the extent that the cut-off date for realization of storage gain in wheat has been retained at 30th June in procuring regions instead of 31st July (as recommended by the sub-committee). As such, the recommendation of the sub-committee accepted by the Board of Directors of FCI, except the change of cut-off date and attendant changes has been approved by the Government. List of norms for storage loss/gain in wheat and rice for central pool stocks as approved is enclosed.

1. The norms approved are purely ad hoc and interim and the scientific storage loss norms shall be fixed after receipt of the study report of ICAR to whom the work has been awarded by FCI.
2. The approved storage loss norms are only upper limits. All the cases of storage loss must be carefully and exhaustively examined by the concerned authority.
3. Normative practices for recording the correct moisture content of foodgrains at the time receipt, during storage and at the time of issue should be strictly followed by all the technical personnel engaged in storage and preservation of foodgrains. In order to minimize operational losses in godowns/warehouses, scientific code of storage practice of foodgrains should be followed by all the technical and quality control staff of the agency.
4. The approved norms shall be applicable to all agencies including the godowns managed under PEG scheme.

Enclosure: As above

Yours faithfully,

Dy. Commissioner (S&R)

Copy to:
1. Managing Director, Central Warehousing Corporation, 4/1, Sirit Institutional Area, Haier Khals, New Delhi-16.
2. Director (Policy/Direction) (FIC)/Director (Finance), Department of Food & PD, Krisht Bhavan, New Delhi.
3. FC A/C Section in the Department of Food & PD, Krisht Bhavan, New Delhi.

PPS to AS&FA/ PS to JS/Storage/ PS to JS (FIC)/ PS to JS (Impex & SRA)
Norms for storage gain/loss in wheat/rice for central pool stocks

<table>
<thead>
<tr>
<th>Wheat</th>
<th>Procuring Region</th>
<th>Consuming Region</th>
<th>Gain/loss norms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For stock of current procurement wheat issued upto 30th June every year. For both State procuring agencies and FCI</td>
<td>Issued in the consuming region upto the month of June in case of stocks received upto May and in case of stocks received in June issued upto 15th July. For stock issued after 30th June in case of receipt upto May and for stocks issued after 15th July in case of stocks received in June.</td>
<td>Covered Storage-No loss CAP storage-No loss</td>
</tr>
<tr>
<td></td>
<td>For stock of current procurement wheat issued after 30th June or stock of wheat procured in earlier seasons issued in any month. a) In case of stocks with State procuring agencies b) In case of stocks with FCI and wheat stored in godowns of CWC, SWC and godowns hired by FCI including PEG godowns.</td>
<td>For wheat procured in current season and dispatched by procuring States after 30th June or stock of wheat procured in earlier seasons issued in any month by procuring State. a) Issued in the consuming region within one month of receipt. b) Issued in the consuming region after one month of receipt of such stocks.</td>
<td>Covered Storage-No loss CAP storage-No loss Covered Storage and CAP Storage-0.7% gain for every 1% increase in moisture content.</td>
</tr>
</tbody>
</table>

The above storage gain/loss will be applicable for wheat stored in jute bags as well as PP/HDPE bags.
RICE

Since rice is accepted in the godowns by technical personnel based on detailed laboratory analyses including moisture content and at every stage of transactions, moisture content is invariably taken, as such storage loss can also be linked with decrease in moisture content. In almost all the studies conducted by IGMRI, storage loss has been observed in case of rice but no exact co-relation of weight loss with decrease in moisture content of rice during storage could be established. The moisture content of rice stocks are taken by drawing samples from rice bags of stacks generally from peripheral layers. But the moisture content may vary from peripheral layers of bags to inner core bags in the stack and it may also vary from stack to stack depending upon location of the stack etc. In case of drying of moisture, higher drying is expected from peripheral layers than core bags. Thus moisture content in peripheral layers of rice bags may be less as compared to moisture content in core bags of the stacks. As per uniform specifications rice is accepted up to 14% moisture content without any value cut and rice with moisture content above 14% up to 15% with full value cut from the rice millers.

Based on the above explanation following norms are proposed:

Storage loss norms for all regions (procuring and non-procuring)
(a) Full allowance for weight loss for drying of moisture between 15% and 14%
(b) 0.7% weight loss for drying of 1% moisture and in proportion thereof below 14%
(c) 0.2% for storage period of 365 days on proportionate basis
Total storage loss = (a) + (b) + (c)