

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Civil Supplies – Procurement Policy of paddy and rice for KMS 2007-08 – Orders – Issued.

CONSUMER AFFAIRS, FOOD AND CIVIL SUPPLIES (CSI) DEPARTMENT

G.O. Ms. No.38

Dated : 24.09.2007

Read the following:

- 1) G.O.Ms.No.67 Consumer Affairs, Food and Civil Supplies Department dated 27.9.2006.
- 2) The A.P. Rice Procurement (Levy) Order, 1984 issued in G.O. Ms. No. 28, F & A (CS.I) Dept., dt. 25-1-1984 as amended from time to time.
- 3) G.S.R. No. 104(E) dated 15.2.2002 and G.S.R. No. 490(E) dated 16.6.2003 of Ministry of Consumer Affairs, Food and Public Distribution, Dept of Consumer Affairs, Krishi Bhavan, New Delhi.
- 4) Lr. No. 6-1/2007- FES-ES(Part-II) dated 15.6.2007 of Govt. of India.
- 5) Lr.No.P1(1)/5725/2007, dated 10.8.2007 of CCS & EOS addressed to all Collectors.
- 6) Lr. No. 156(8)/2007-Py.I dated 21.8.2007, of Govt. of India., Ministry of Consumer Affairs, Food and Public Distribution, Department of Food and Public Distribution, New Delhi.
- 7) Lr. No. 8-4/2007-S&I dated 23.8.2007 of Govt. of India, Ministry of Consumer Affairs, Food and Public Distribution, Department of Food and Public Distribution, New Delhi.
- 8) Lr. No. MC/6053/2007 dated 20.8.2007 of Commissioner of Marketing Department A.P. Hyderabad.

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ORDER :

In the Government orders 1st read above, the procurement policy for Kharif Marketing Season 2006-07 was communicated.

2. The following orders are issued as “Procurement Policy” for the Kharif Marketing Season 2007-08.
3. The Food Corporation of India shall be the “agent” of Government of Andhra Pradesh for procurement of rice under the mill levy from Rice Millers.
4. The Minimum Support Prices fixed by Government of India for the KMS 2007-08 are as follows:

Price per Quintal of Fair Average Quality of paddy

Common	::	Rs. 645/-
Grade “A”	::	Rs. 675/-

5. The levy procurement prices and the rates for custom milled rice for the crop year 2007-08 shall be communicated separately.
6. FAQ specifications for paddy and rice are enclosed herewith (Annexures I & II).
7. Operational guidelines for MSP operations for paddy during crop year 2007-08 are annexed herewith (Annexure III). These operational guidelines shall be read as part of this G.O. and will be applicable to the procurement of paddy with the help of the Self Help Groups of Indira Kranthi Pathakam.
8. The millers and dealers, who do not purchase FAQ paddy at MSP and of Non-FAQ paddy as per the prescribed value cuts indicated in the operational guidelines shall

be liable for action under the provisions of clause 4-A of the A.P. Rice Procurement (Levy) Order, 1984 and the operational guidelines for M.S.P. operations of 2007-08.

9. The millers shall purchase paddy at the regulated markets, notified markets, godown points including CWC & SWC godowns and rice mill premises as declared by the Marketing Department for the purpose of purchase of paddy.

10. The Food Corporation of India and A.P. State Civil Supplies Corporation Ltd., shall make arrangements for procurement of 7.50 Lakh MTs of paddy for Kharif Season (2.50 Lakh MTs by F.C.I. and 5.00 Lakh MTs by A.P. State Civil Supplies Corporation Ltd.) and 7.50 Lakh MTs during the Rabi Season (5.00 lakh MTs by A.P. State Civil Supplies Corporation Ltd and 2.50 lakh tonne by Food Corporation of India). The MSP operations for Kattera paddy (early crop) shall commence immediately.

11. (a) The Government have decided to procure paddy with the help of Women Self Groups of IKP in all the paddy growing districts depending upon the availability of experienced and active S.H.G.s as mutually decided by the Managing Director, A.P. State Civil Supplies Corporation Ltd and Chief Executive Officer, SERP. This procedure is expected of benefiting small and marginal farmers to sell their produce at village level and to save the expenditure and miseries on transportation of paddy to AMCs and consequent handling at the Market Yard. It will also reduce the congestion at Market Yards.

(b) A.P. State Civil Supplies Corporation Ltd, shall pay 1.5% of the price payable to the farmer (MSP) as commission to Self Help Groups for handling of paddy on behalf of Civil Supplies Corporation through DRDA concerned apart from payment of the cost of paddy to farmers which includes Minimum Support Price, and the gunnies for packaging the paddy. Money transfer arrangement will be worked out mutually.

(c) In order to facilitate smooth procurement at the level of S.H.Gs / other PPCs and for creating of sufficient storage space at the S.H.G. / PPC level, APSCSC shall transport the paddy procured at S.H.G centers / PPCs by making their own transport arrangements to the identified storage points / rice mills for storage / custom milling of paddy respectively.

12. The Rice Milling Industry shall deliver during KMS 2007-08, (i.e., from 1st October, 2007 to 30th September, 2008) a quantity of 42.00 Lakh MTs of raw rice and 20.00 Lakh MTs of boiled rice. The Commissioner of Civil Supplies shall fix district-wise performance expectation of raw rice and boiled rice for delivery under levy to FCI, depending upon the production of paddy / rice- milling capacity and the past performance in consultation with the representatives of the A.P. Rice Millers Association, FCI and APSCSCL giving due priority to meet the requirement of P.D.S. and other welfare schemes with the A.P. raw rice.

13. The Commissioner of Civil Supplies may also revise the expectation from time to time, depending upon the progress in purchase of paddy at MSP, performance of rice levy delivery and other priorities of the Government.

14. Government of India, vide G.S.R. No. 490(E) dated 16.6.2003, relating to removal of restrictions on the movement of paddy / rice for sale, have specified that

“Nothing contained in G.S.R. No 490(E) dated 16.6.2003, shall affect the operation of the levy orders issued by the State Governments for the purpose of procurement of rice as levy from the millers or dealers of paddy or rice in pursuance of the powers delegated to the State Governments by the Central Government under section 3 of the Essential Commodities Act, 1955”.

15. As per clauses 3 and 4 of A.P. Rice Procurement (Levy) Order, 1984, rice millers / dealers shall deliver 75% of rice derived out of total paddy milled to Food Corporation of India under Mill Levy. As such all millers / Dealers are under statutory obligation to deliver levy rice to Food Corporation of India. However, this Mill Levy Scheme is linked with MSP operations not only to benefit the farmers but also to meet the requirement of rice for PDS in the State. In addition to this, rice millers / dealers shall deliver levy to the Food Corporation of India to the extent of 75% of the rice acquired for the purpose of sale from the persons other than miller or a dealer. After the delivering the 75% mill levy quota, the rice miller / dealer shall be eligible to sell the 25% of Levy free rice either within the State or Outside the State. The entire transactions right from purchases of paddy, paddy milled, levy rice delivered out of milling / rice acquired and sale of levy free rice shall be reflected in the “A” and “B” Registers maintained for the purpose. When 25% levy free rice is sold out, the miller / dealer shall specify in the sale invoice that the said rice is levy free rice, to avoid any objections from the neighboring State Governments or Enforcement Officials of A.P. State on the movement of such levy free rice. A copy of the sale invoice shall also be marked to the Collector concerned for record.

16. Rice Millers / Dealers shall furnish a certificate to the effect that paddy was purchased at MSP from the farmers duly countersigned by the Sarpanch / Panchayat Secretary and Ward Member, after entering the details of paddy purchases made by him / her in the “B” Registers in respect of Trading Rice Millers and in case of Non-trading rice millers participating in mill levy to Food Corporation of India, in the “A” Registers. Based on such certificates furnished after verifying the details in the “A and B” Registers as the case may be, Mill Levy certificates to the extent of 75% of total paddy milled/ rice acquired for sale, shall be issued by the District Collectors for delivering Mill Levy by the rice millers / dealers to F.C.I. and there shall not be any prefixed target either for the mill or for the district, as the entire scheme is oriented to help the farmers to get the M.S.P. and above prices for their produce as well as to meet the annual requirement of A.P. raw rice for the P.D.S. and other welfare schemes.

17. The formats for certificates of purchase of paddy by the rice millers, traders etc. which have already been communicated shall be adopted for 2007-08. The receipts produced by the millers / traders etc. and received from the Market Yards, Paddy Purchase Centers, notified mill points etc shall be kept under the custody of the Tahsildar concerned for verification in due course or as and when operationally necessary.

18. There shall be no objection for accepting raw rice from the boiled rice mills, as the boiled rice mills can produce raw rice. However, there shall not be any acceptance

of boiled rice from the raw rice mills, as raw rice mills cannot produce boiled rice. Collectors shall ensure that the delivery of raw rice and boiled rice shall be in the same **ratio** between raw and boiled rice indicated for the district. While raw rice delivery can be in excess of the ratio as it will be needed for PDS, boiled rice will not be accepted in excess of the ratio.

19. The millers shall be issued a certificate for delivery of levy to the FCI based on the certificates of purchase of paddy at MSP. The format for certificate shall be the same as was applicable for 2007-08. The FCI will accept the levy deliveries from the individual millers/ traders.

20. The certificate for delivery of levy shall be issued for each individual miller separately and preferably in multiples of 10.00 MTs of rice.

21. Certificate should bear the serial number for the Kharif Marketing Season 2007-08.

22. The rice millers are not required to take any permit for sale of levy free rice within or outside the State. However, they shall inform the Collector about the quantity of rice moved out of mill premises for sale within or outside the State, as and when any consignment is moved from out of 25% of the levy free eligibility of the Miller / Dealer. The Collectors shall compile this information and furnish to the Commissioner, Civil Supplies every month to reach by 5th in the proforma already communicated vide G.O. Rt.. No. 104 Food, Civil supplies Consumer Affairs dated 15.11.2001.

23. Rice under mill levy shall be delivered in 50 kg gunny bags only.

24. In respect of any dispute including quality parameters of rice between the miller and the FCI, a Committee headed by the Joint Collector and consisting of technical experts shall resolve the dispute immediately.

25. Government also order that the farmers and the farmers' clubs/associations and Self Help Groups shall be allowed to mill paddy of their own or on behalf of farmers, and deliver whole or part to the Food Corporation of India at procurement prices. The farmers are not required to obtain Registration Certificate from Commercial Taxes Department for delivery of rice to the Food Corporation of India as the farmers are permitted to deliver the rice to the Food Corporation of India from out of the paddy got milled by them. While paying procurement price, the Food Corporation of India may deduct such of the taxes/fee, which are payable by the farmers on such delivery of levy rice and the Food Corporation of India shall pay such taxes/fee deducted to the concerned Department of the State Government.

26. For accepting delivery of rice by the Food Corporation of India from the individual farmers, Registered Farmers' Clubs/Associations and Self Help Groups, a certificate issued by the Village Secretary / Agriculture Officer / Sarpanch of the village is necessary with regard to cultivation of paddy and the extent of land recorded in the Pattadar Pass Book / Adangals etc.

27. In respect of paddy purchases by the rice millers from other districts, the signature of the Sarpanch / Secretary of the Gram Panchayat / Ward Member, as the case may be, shall be obtained along with the seal of the Panchayat and the same shall

be entered in the "B" Register of each and every rice mill. These receipts (Rythu Vouchers) shall be accepted by the District administration and verification in the "B" Register, certificates to deliver levy to the F.C.I may be issued. However, subsequently, 10% of the Rythu Vouchers furnished by the rice millers shall be selected at random and sent to the Tahsildars concerned for verification and certification. In case the information furnished in the Rythu Vouchers and in "B" Registers of the rice miller is found to be not correct, action as per the A.P. Rice Procurement (Levy) Order, 1984 and as per the operational guidelines issued in Annexure III of the G.O. shall be taken against the miller concerned.

28. The Rice Millers shall undertake custom milling of paddy as and when the farmers bring the paddy to the rice millers at the rate stipulated or on mutually agreed terms/conditions between the millers and the farmers.

29. The Rice Millers shall undertake custom milling of paddy simultaneously, procured by A.P. State Civil Supplies Corporation Ltd and FCI as per the agreed terms and conditions and at the rates and norms fixed by the Govt. of India. The Collectors shall allot the paddy purchased at the S.H.G. of IKP centres / PPCs / Market Yards etc., to the respective rice mills for immediate custom milling without storage of the paddy. The rice millers within 15 days from the date of receipt of paddy shall complete custom milling of paddy and deliver the resultant rice either raw rice or boiled for the paddy handed over during the Kharif Marketing Season 2007-08 by the A.P. State Civil Supplies Corporation Ltd and S.H.Gs of IKP. The Collectors are requested to review the entire process of custom milling operations regularly and take necessary action against the rice millers, who failed to do custom milling of paddy procured by the Self Help Women Groups of Indira Kranthi Pathakam and A.P. State Civil Supplies Corporation Ltd duly following the procedure in vogue. The delivery of custom milled rice will be in addition to the target of 62.00 lakh tonne of rice given to the State.

30. Since huge quantity of paddy is being purchased at the Paddy Purchase Centres, the Collectors are requested to make necessary arrangements for positioning the required number of once used gunnies / new gunnies at Paddy Purchase Centres operated by the Self Help Groups of Indira Kranthi Pathakam and A.P. State Civil Supplies Corporation Ltd. The Collectors should issue instruction to all the F.P. Shop Dealers to deposit the once used gunny bag compulsorily in the empty truck, which is coming back after unloading the rice at the F.P. Shops in the respective route. The once used gunnies collected from the F.P. Shop Dealers shall be kept in the respective MLS points for safe custody. The Collectors shall fix a uniform rate in the entire district for collection of once used gunnies so that the F.P. Shop Dealers should adhere to the instructions of the Collectors concerned.

31. In case of any delay in custom milling of paddy due to non-availability of adequate capacity of rice milling industry in the district, the paddy may be transported to the nearest district for immediate custom milling for example; the paddy procured at Mahabubnagar district may be transported to Kurnool district or Ranga Reddy district

and the paddy procured at Adilabad district may be transported to Karimnagar district or Nizamabad district for custom milling. The expenditure incurred by the A.P. State Civil Supplies Corporation shall be booked to the MSP operations of paddy and the same shall be included in the audited accounts of KMS 2007-08, so that the Govt. of India will be requested for reimbursement of the same.

32. The Commissioner of Marketing vide reference 8th read above, has issued instructions to all the Secretaries of AMCs to prepare a contingency plan well in advance to tackle the additional arrivals and to ensure smooth market operations during the season. They should get the equipment / machinery available with the AMCs in working condition and log books maintained for each equipment to make a note of the usage particulars. Equipments / machinery available with the nearby markets (Non-functional) and with IKP centres should be taken into account while planning for procurement of additional equipment to meet the seasonal requirement. The Godown space available in the AMCs should also be kept ready for occupation. He also instructed that wide publicity to be given about MSP rates, equipments and godown space available with AMCs.

33. The Marketing Department shall purchase required number of moisture meters (Best quality) to be determined with reference to the part performance and to make available them at all the Purchase Centres operated by S.H.Gs of IKP / PPCs / Market Yards without fail. One moisture meter should also be provided to the progressive group of farmers / S.H.Gs / Gram Panchayats to enable the farmers to check the moisture contents of the paddy before they bring the paddy to the purchase centres for sale.

34. The Collectors shall fix uniform Hamali charges in the entire district by conducting meeting with the Hamalis Unions, Secretaries of AMCs and Procuring Agencies. The Handling Charges should include, weighment, stitching and staking / loading at PPCs / AMCs. The Hamali Charges, thus, fixed will have to be borne by the buyers of the stocks at PPCs / AMCs including the State Procuring Agencies.

35. The Collectors shall review the progress of procurement with reference to performance expectations on weekly basis. Collectors shall send weekly reports on the progress of procurement to the Commissioner of Civil Supplies as stated above. The Collectors shall also bring to the notice of the Commissioner of Civil Supplies, problems if any, faced by them in achieving the performance expectations so as to take immediate appropriate action in the matter, including requirement of funds for items of expenditure other than cost of paddy procured by A.P. State Civil Supplies Corporation Ltd. The Collectors shall constitute a District Procurement Committee with the Joint Collector as Chairman and consisting of District Level officials of all connected departments, namely, Agriculture, Marketing, Civil Supplies, Transport, DRDA, ITDA, I&PR, Warehousing Agencies (CWC, SWC), Procurement Agencies (FCI, APSCSCL) and also Sub-Collectors / RDOs to coordinate and decide on all the activities and monitor the work on day-to-day basis as per the operational guidelines.

36. Wide publicity of the location of the paddy purchase centres, specifications of FAQ paddy, MSP and prescribed value cuts for the non-FAQ paddy should be given through press, pamphlets, leaflets, and electronic media besides organizing extensive training programmes for the farmers through the Agriculture Extension Staff / Quality Control Officials out of the funds earmarked by Marketing Department in this regard and other funds available at their disposal.

37. The required funds for purchase of targeted quantity of paddy by the A.P State Civil Supplies Corporation Ltd., will be made available by the Commissioner of Civil Supplies and Ex-Officio Secretary, Consumer Affairs, Food and Civil Supplies Department through cash credit limits from RBI. For other items of expenditure, the Commissioner of Civil Supplies may submit necessary proposals to Government separately. The estimated funds required from Cash Credit facility of RBI for cost of paddy targeted to be procured by APSCSCL would be about Rs. 780 crores plus cost of gunnies, transportation, hamali charges, statutory charges and other incidentals. The proposals for obtaining the cash credit facility from the Reserve Bank of India will be prepared and sent on receipt of proposals from VC & Managing Director, APSCSCL every month in the prescribed format.

38. All the District Collectors are hereby requested to adhere to the above instructions so as to implement the A.P. Rice Procurement (Levy) Order, 1984 in true spirit for ensuring MSP to the farmers as well as to meet the annual requirement of A.P. raw rice for the P.D.S. and other welfare schemes in the State. District Collectors are further requested to ensure that rice meant for levy is not diverted in the guise of levy free rice.

39. A copy of this order is available on the internet and can be accessed at the address- <http://apts.gov.in/apgos>

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G.N. RAO,
EX.OFFICIO SECRETARY TO GOVERNMENT

To

The Commissioner of Civil Supplies, A.P. Hyderabad.
All the Collectors / The Chief Rationing Officer, Hyderabad.
Chief Executive Officer, SERP, Hyderabad.
The Director General, Vigilance and Enforcement, Hyderabad.
All the Joint Collectors / All the District Supply Officers.

The General Manager (A.P. Region), Food Corporation of India, Hyderabad.
The VC & Managing Director, A.P. State Civil Supplies Corporation Limited,
Hyderabad.

Copy to:

The Managing Director, A.P. State Warehousing Corporation Limited, Hyderabad.
The Regional Manager, Central Warehousing Corporation, Hyderabad.
The Secretary to GOI., Dept., of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, Krishi Bhavan, New Delhi.

The Prl. Secretary, Revenue(CT), Department, Secretariat, A.P. Hyd'bad.
The Prl. Secretary to Agrl. & Cooperation, Secretariat, A.P. Hyderabad.
The Prl. Secretary, Coop. & Marketing, Secretariat, AP, Hyderabad.

The Secretary to Government., Agriculture Dept., Hyderabad

The Commissioner, Commercial Taxes Dept., Hyderabad.

The Commissioner & Director of Marketing, Hyderabad.

The Commissioner & Director of Agriculture, Hyderabad.

The Commissioner, Transport, Hyderabad.

The Commissioner, I & PR, Hyderabad.

The Commissioner for Cooperation and Registrar of Cooperative Societies, Hyderabad.

Copy to the Chief Executive Officer, SERP, Hyderabad.

The Prl. Secretary to Secretary to Hon'ble Chief Minister for information

Copy to the Spl. Secretary to the Hon'ble Chief Minister.

Copy to P.S to Hon'ble Minister for Food, Civil Supplies, Legal Metrology and Consumer Affairs, A.P. Hyderabad.

Copy to P.S to Hon'ble Minister for Agriculture and Horticulture, A.P, Hyderabad.

Copy to P.S to Hon'ble Minister for Marketing Department, A.P., Hyderabad.

The President, A.P. Rice Millers Assn., Flat No. 409, Taj Enclave, Besides Meera Theatre, Khairatabad, Hyderabad.

Presidents of all District Rice Millers Association.

// FORWARDED BY ORDER //

SECTION OFFICER

:: ANNEXURE – I ::

**UNIFORM SPECIFICATION OF ALL VARIETIES OF PADDY
(MARKETING SEASON 2007-2008)**

Paddy shall be in sound merchantable condition dry, clean, wholesome of good food value, uniform in colour and size of grains and free from moulds, weevils, obnoxious smell, *Argemone maxicana*, *Lathyrus sativus* (Khesari) and admixture of deleterious substances.

Paddy will be classified into Grade 'A' and Common groups.

Schedule of specification

Sl. No.	Refractions	Maximum Limits (%)
1.	Foreign matter	
	a) Inorganic	1.0
	b) Organic	1.0
2.	Damaged, discoloured, sprouted and weevilled grains	3.0
3.	Immature, Shrunken and shrivelled grains	3.0
4.	Admixture of lower class	7.0
5.	Moisture content	17.0

NOTE :

- (i) The definitions of the above refractions and method of analysis are to be followed as per BIS Method of analysis of foodgrains IS: 4333 (Part-I) 1996, IS : 4333 (Part-II), 2002 and Terminology for foodgrains IS: 2813 – 1995., as amended from time to time.
- (ii) The method of sampling is to be followed as per BIS method for sampling of Cereals and Pulses IS: 14818 - 2000 as amended from time to time.
- (iii) Within the overall limit of 1.0% for organic foreign matter, poisonous seeds shall not exceed 0.5% of which Dhatura and Akra seeds (*Vicia species*) not to exceed 0.025% and 0.2% respectively.

:: ANNEXURE – II ::

**UNIFORM SPECIFICATION FOR GRADE 'A' & COMMON RICE
(MARKETING SEASON 2007 - 2008)**

Rice shall be in sound merchantable condition, sweet, dry, clean, wholesome, of good food value, uniform in colour and size of grains and free from moulds, weevils, obnoxious smell, admixture of unwholesome poisonous substances, Argemone maxicana and Lathyrus sativus (Kesari) in any form, or colouring agents and all impurities except to the extent in the schedule below. It shall also conform to PFA Standards.

SCHEDULE OF SPECIFICATION

Sl. No.	Refractions	Maximum Limit (%)	
		Grade 'A'	Common
1.	Brokens *		
	Raw	25.0	25.0
	Parboiled	16.0	16.0
2.	Foreign Matter **		
	Raw/Parboiled	0.5	0.5
3.	Damaged / Slightly Damaged grains		
	Raw	2.0 #	2.0 #
	Parboiled	4.0	4.0
4.	Discolored Grains		
	Raw	3.0	3.0
	Parboiled	5.0	5.0
5.	Chalky Grains		
	Raw	5.0	5.0
6.	Red Grains		
	Raw/Parboiled	3.0	3.0
7.	Admixture of lower class Raw/Parboiled	6.0	--
8.	Dehusked Grains Raw/Parboiled	12.0	12.0
9.	Moisture content ***		
	Raw/ Parboiled	14.0	14.0

• Including 1% small brokens

** Not more than 0.25% by weight shall be mineral matter and not more than 0.10% by weight shall be impurities of animal origin.

Rice having incidence of pin point damage to the extent of 1% over and above 2% Damaged / Slightly Damaged grains may be accepted without any value cut.

*** Rice (both raw and parboiled) can be procured with moisture content upto a maximum limit 15% with value cut. There will be no value cut upto 14%. Between 14% to 15% moisture, value cut will be applicable at the rate of full value.

**NOTES APPLICABLE TO THE SPECIFICATION OF GRADE 'A' AND COMMON
VARIETIES OF RICE**

1. The definition of the above refractions and method of analysis are to be followed as given in Bureau of Indian Standard "Method of analysis for Foodgrains" No's IS : 4333 (Part-I) 1996 and IS : 4333 (Part - II) 2002" Terminology for Foodgrains" IS : 2813 - 1995 as amended from time to time. Dehusked grains are rice kernels whole or broken which have more than 1/4 of the surface area of the kernel covered with the bran and determined as follows:-

ANALYSIS PROCEDURE :-

Take 5 grams of rice (sound head rice and brokens) in a petri dish (80X70 mm). Dip the grains in about 20 ml. of Methylene Blue solution (0.05%by weight in distilled water) and allow stand for about one minute. Decant the Methylene Blue solution. Give a swirl wash with about 20 ml of dilute hydrochloric acid (5% solution by volume in distilled water). Give a swirl wash with water and pour about 20 ml. of Metanil Yellow solution (0.05% by weight in distilled water) on the blue stained grains and allow to stand for about one minute. Decant the effluent and wash with fresh water twice. Keep the stained grains under fresh water and count the dehusked grains. Count the total number of grains in 5 grams of sample under analysis. Three brokens are counted as one whole grain.

CALCULATIONS :

$$\text{Percentage of Dehusked grains} = \frac{N \times 100}{W}$$

Where N = Number of dehusked grains in 5 grams of sample

W= Total grains in 5 grams of sample.

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 from time to time.
3. Brokens less than 1/8th of the size of full kernels will be treated as organic foreign matter. For determination of the size of the brokens average length of the principal class of rice should be taken into account.
4. Inorganic foreign matter shall not exceed 0.25% in any lot, if it is more, the stocks should be cleaned and brought within the limit. Kernels or pieces of kernels having mud sticking on surface of rice, shall be treated as Inorganic foreign matter.
5. In case of rice prepared by pressure parboiling technique, it will be ensured that correct process of parboiling is adopted i.e. pressure applied, the time for which pressure is applied, proper gelatinisation, aeration and drying before milling are adequate so that the colour and cooking time of parboiled rice are good and free from encrustation of the grains.

ANNEXURE III

OPERATIONAL GUIDELINES FOR PROCUREMENT OF PADDY / LEVY RICE.

KHARIF MARKETING SEASON (KMS) 2007-2008.

During the KMS 2007-08, it is proposed to procure 62.00 Lakh MTs of Rice (42.00 Lakh MTs of raw rice and 20.00 Lakh MTs of boiled rice) through FCI. It is also planned to procure 15.00 Lakh MTs of paddy @ 7.50 Lakh MTs during Kharif 2007-08 and @ 7.50 Lakh MTs during Rabi 2008.

The operational guidelines are strictly limited to the MSP operation of paddy / custom milling of paddy and procurement of levy rice and necessarily covers the range of activities from post-harvest at farm gate upto delivery of rice to FCI and completion of all financial transactions connected with these activities since these impinge separately and collectively on the basic objective of ensuring MSP to farmers.

The Salient features are:-

- i) The Office of the Commissioner of Civil Supplies & Ex-Officio Secretary, Food & Civil Supplies, Govt. of Andhra Pradesh shall be the “Nodal Agency” for MSP operations of paddy, custom milling of paddy and procurement of levy rice.
- ii) The procurement of paddy by FCI, State agencies such as AP State Civil Supplies Corporation, own its own or through the S.H.Gs of IKP shall be supplemental to the paddy purchases made by the millers at MSP and above price, which will entitle them for delivery of levy.
- iii) Paddy procurement is a scheme of Public-Private Partnership involving the Government and its agencies on one hand and farmers, traders, rice millers etc. on the other hand. This is implemented at the grass root level by the farmers coming with their produce to the P.P.Cs / Market Yards where they can exercise the option of selling to traders at above MSP rates or to the Government Agencies at MSP rates. In other words, the P.P.Cs / Market Yard platform is the common point to facilitate the farmers to get the best option not less than MSP for their produce of FAQ norms. Therefore, this needs the sequential performance of the activities by concerned officials of the respective departments at the Mandal / Village level to ensure compliance by the District Collectors during the post harvest period with requisite planning and close supervision.
 - a) Agriculture Department – The basic determinants of the procurement of paddy is the area cultivated under paddy, varieties sown, estimated yield of paddy and the arrival to the markets. Therefore, the District Collectors are requested to up date this information on weekly basis so as to identify and prioritize the Mandals, Villages where more paddy is expected to be harvested. The Tahsildars, Mandal Agriculture Officers, Panchayat Secretaries and other local level officials should be specifically entrusted with the task of monitoring the cultivation harvest and arrivals of the paddy so as to facilitate the farmers to reach the nearest PPCs / Market yards for sale of their produce. This activity may be termed as “Pre-market phase of paddy procurement”.

b) The next stage is the pre-sale operations at the P.P.Cs / Market Yards. This involves the regulation of the arrivals by the Secretaries of AMCs / Secretaries of Gram Panchayats / Local Level Officials. The Commissioner of Marketing and District Collectors are therefore requested to monitor the functioning of Market Yards in terms of prevailing market rate for the paddy sold at Market Yards, arrivals of paddy and movement of rice/paddy to other districts / states etc. as per the rules and also ensure that at least MSP rates are paid to the farmers.

c) The third stage is the procurement stage by the Government Agencies ie., Food Corporation of India and A.P. State Civil Supplies Corporation Ltd which involves again three activities viz., (i) sample analysis, (ii) stock taking (iii) payments. The concerned PPC In-charge has to perform this activity with the assistance of other supporting officials of the Agriculture, Revenue, Civil Supplies and Marketing Departments, who have been associated with the farmers at the earlier two stages by way of general guidance and technical hand-holding. Supervisory officials at the Mandal and Divisional level, mainly Tahsildars, RDOs and DSOs, DM, CSC at District level have to ensure that the PPC In-charge is performing his duties properly.

d) The next stage is the post procurement stage, which includes bagging, weighing, stitching, stacking and transportation of the procured paddy to the nearest rice mill / godown. Again the same set of officials as noted at (c) are required to supervise and monitor the activities.

e) All the above Departments and Supervisory officials at all levels should work in close coordination with each other under over all guidance and supervision of the Joint Collector.

iv) The FCI and State agency viz. A.P. State Civil Supplies Corporation Ltd shall make arrangements to procure 15.00 Lakh MTs of paddy for the KMS 2007-08 (7.50 Lakh MTs during Kharif and 7.50 Lakh Mts during Rabi Season) by opening 325 and 950 procurement centres respectively. The A.P State Civil Supplies Corporation Ltd. Includes the centres to be operated by the S.H.Gs of I.K.P. which shall buy paddy of FAQ specifications only.

v) The District Collector shall issue specific orders in detail to give effect to the instructions in the G.O. as well as other guidelines, keeping in view the local conditions. The orders issued by the District Collectors shall be implemented by all the operational agencies at the field level.

Specific Guidelines:

Paddy Purchase centers:

1. The district shall be the unit for opening of paddy purchase centers by the FCI and State agencies. In each district, both the FCI and State agencies shall open as many paddy purchase centers as required and decided by the District Collector and make brisk purchases of paddy. In addition, the District Collectors shall open as many centres by the S.H.Gs of IKP as feasible at the village level to facilitate farmers to sell their produce at MSP rates near their farm gates.

2. Additional Paddy Purchase Centers shall be opened by the FCI and State agencies in addition to the notified market yards / Sub- Yards. **All the Market Yards / Sub- Yards in Telangana districts are notified as Paddy Purchase Centres. In other areas, depending upon the customary practice of arrival of the paddy, the District Collectors will notify them as PPCs and allocate between FCI and A.P. State Civil Supplies Corporation Ltd.** Open places like SWC and CWC godowns also will be notified as Paddy Purchase Centers. As many purchase centers as required should be opened depending upon the extent sown under paddy and expected yield.
3. Each Rice Mill delivering levy is a Purchase Point for paddy, which shall be duly notified by the Collectors as Paddy Purchase Points. It shall be the responsibility of the purchaser / trader who is delivering levy rice to FCI, to pay at least MSP to the farmers for FAQ paddy.
4. The MSP operation of paddy by the Government agencies shall be for a period of 75 days. For each district, depending upon the harvesting and arrival of paddy, the Collectors will decide and notify the date from which MSP operation will commence for 75 days. Therefore, advance planning as well as positioning of personnel and making all arrangements is crucial besides wide publicity to the farmers about opening of the centres and other arrangements made.
5. Government Departments like Agriculture, Marketing which help the farmers to sell their paddy shall take pro-active measures to educate the farmers to clean paddy and bring it to FAQ standard before bringing to the Paddy Purchase Centres / Market Yards.
6. Pamphlets indicating the MSP specifications, location of Paddy Purchase Centers and relevant operational details shall be printed by the Collectors by utilizing the funds earmarked for each AMC under the Sub- Head “ Publicity”. This publicity material be distributed to the farmers in coordination with the local officials.
7. A campaign shall be launched in the villages through Panchayat Secretaries and Extension Staff of Agriculture Department to inform the farmers about the MSP FAQ specifications, measures to be taken by the farmers for bringing paddy to FAQ standards, opening of Paddy Purchase Centers / notified mill points and various facilities / services like cleaning equipments, etc. available at the purchase centers. This team of officials shall provide required hand-holding service to the farmers from the farm gate up to the PPCs / Market Yards.
8. Farmers shall be insisted upon to bring Pattedar Pass Books for quick disposal of their produce. Particular attention shall be paid to the problems of small and marginal farmers in speedy disposal of their produce. The farmers shall be informed not to go for distress sale of FAQ paddy at all.
9. A “Farmers’ Contact Programme” shall be organized through Agriculture and Marketing Departments to elicit the views of the farmers and others concerned

regarding disposal of their paddy and to receive suggestions, if any, for improvement in the present system.

Supervisory Teams for ensuing MSP and their duties.

10. A supervisory team consisting of 5 members headed by a Deputy Tahsildar with one Technical Officer, one Junior Assistant or Accountant, and 2 farmers' representatives, who are nominated by the Agriculture Officer or the Tahsildar, in consultation with the Farmers' Clubs shall be constituted to supervise the paddy purchase operations in a cluster of 5 mills of 2 tonne and above capacity as notified by the Collectors and the purchase centres viz. notified Market Yards and Paddy Purchase Centres opened by the S.H.Gs of IKP. In case, sufficient number of Technical Officers are not available, other officials like Senior Assistants of the Agriculture and other Departments may be trained to analyse the paddy quality and they may be deployed in the Supervisory Teams in place of Technical Officers. Similarly, the retired officials of Agriculture and Marketing Department may also be involved for this purpose. The expenditure incurred for such operation will be borne by the respective Procuring Agency. Where there are no farmers' clubs, the Asst. Director, Agriculture shall nominate two farmers for the Supervisory Team. To assist the team, there shall be 2 Village Servants. However, if there are smaller capacity mills within the vicinity, Collectors may include them to the same cluster subject to a maximum of ten mills. In bigger market yards, the Collectors may deploy more than one supervisory team to effectively supervise MSP operation.
11. If there are less number of mills (less than 5) in a particular Mandal, the cluster of mills shall be formed for those number of mills only and Supervisory Team for those mills shall be constituted. Mills of other Mandals shall not be attached to this supervisory team.
12. The members of the Supervisory teams shall be entitled for FTA as per rules.
13. Movement register shall be maintained for recording the movements of Supervisory Teams. The Supervisory Teams shall enter the details of their visits to various notified mills every day in the movement register and shall produce to the Supervisory Officers during their inspections.
14. Quality of paddy shall be assessed by the Supervisory Teams on physical verification of stocks, during the period when there are huge arrivals of paddy and where the arrivals are absolutely unmanageable for normal analysis. Wherever the farmers dispute the analysis and fixation of rate, the normal procedure of analysis will be followed and if the dispute is not resolved, the Mandal Level Team headed by the Tahsildar should take the decision on the spot.
15. The Supervisory Officer shall certify the purchase of paddy at MSP in the Paddy Purchase Centres.

16. Paddy purchased by the rice millers at MSP at notified purchase centres shall be entitled for delivery of mill levy on certification by the Supervisory Officer. The certification shall be done twice a week.
17. In the Market yards, whenever any farmer brings paddy, the Supervisory Team, along with the farmer who brings paddy and a representative of the Market Committee, shall fix the rate for paddy, depending upon the quality of paddy. The rate so fixed shall be the base-price for starting the bidding. There shall be no under-bidding i.e. below the rate fixed by the team.
18. The Supervisory team, along with the farmer who brings paddy and the Miller / Commission agent, shall decide the rate for non-FAQ paddy, for every heap, depending upon the excess percentage in refractions than permitted for FAQ. The rate of value cut will be as per the rates communicated by the Government for each refraction viz. moisture, immature, shrunken and shrivelled grains and foreign matter.
19. Since there are no inter-State restrictions on movement of paddy, Millers may purchase paddy in other States also. Such purchases should be supported by the certificates issued by the concerned local authorities about payment of price. If the price paid including transport charges as decided by the Collector is equal above MSP the resultant rice of such paddy should also be permitted for delivery under levy. However, this shall be allowed after confirmation of price paid for the paddy from the competent authorities of the respective States.

Commission agents:

20. To facilitate smooth disposal of paddy to the State agencies as well as millers, in the markets, commission agent system may be continued wherever it exists. If their services are utilized, the farmers have to pay to the commission agent, 1.5% of the value of paddy at MSP for unloading and cleaning operations, if required, to help in auctioning, weighing and stitching. If cleaned paddy is brought by the farmers, only unloading charges shall be paid to the commission agents by the farmers. If cleaning has to be done, the farmer shall pay both unloading and cleaning charges to the Commission agents. **Those farmers who do not want to engage the services of the Commission agents will be free to do so.** The loading and transport charges from the purchase point to the mill point shall be borne by the miller. **The Secretaries of the respective AMCs will give wide publicity to this provision by way of leaflets/posters affixed at the Market yards.**
21. There is no need for Commission agents at mill points which are notified as purchase centres.

Verification of payment of MSP :

22. If any farmer does not want to bring his paddy to the market, for any reason, and if the miller produces the receipt from the purchaser indicating the sale of paddy at MSP, it may not be correct to deny him the delivery of levy rice to FCI. The receipt given by the farmer should be endorsed by the Village Sarpanch / Ward

Member or Gram Panchayat Secretary and to be checked with the mill's accounts at random so as to verify whether the information is correct about payment of MSP and quantity purchased. If the information is found incorrect, action shall be taken against the miller by stopping mill levy and other penal action as per rules.

23. For the purchases at farm gate, the transport and handling charges shall be fixed uniformly for the entire district by the Collector and the rate paid after deducting the transport and handling charges so fixed by the Collectors, shall be treated as the MSP. For example: If the transport and handling charges fixed is Rs.15 per quintal, the rate paid for Grade A variety of paddy at farm gate i.e. Rs. 660(Rs 675 - Rs.15) towards transport and handling charges shall be treated as MSP .
24. Millers who fail to purchase FAQ paddy at MSP and non-FAQ paddy with prescribed value cuts and indulge in violation of the guidelines shall not be eligible for delivery of mill levy, apart from being liable to face other penal consequences as per rules.
25. Each purchase centre will be linked to a number of designated rice mills . If any miller fails to purchase FAQ paddy at MSP or who consistently fail to purchase paddy for a period of 7 days, action to black list the miller shall be taken. However, before taking this action, the principles of natural justice of issuing a show cause notice indicating clearly the reasons for blacklisting the miller should be followed and after obtaining his explanation, action to blacklist him shall be taken depending upon the merit of the case. Once the miller is blacklisted, he will not be permitted to deliver levy to FCI till such time orders revoking the blacklisting are issued. However, the period of blacklisting of the millers shall be decided by the Collectors. Whenever the order of blacklisting is revoked, a speaking order indicating the grounds for revocation will be issued.

Infrastructure and equipments at Purchase Centres and Market Yards.

26. At all the purchase centres and notified market yards, required number of paddy cleaners, moisture meters, calipers, winnowing machines, tarpaulins. Stitching machines and weighing scales (electronic) will be positioned. The Commissioner, Marketing Department has already issued instructions to all the AMCs to make available these equipments at all PPCs and the notified markets as per the decisions of the Joint Collectors concerned. The Agriculture Department shall encourage the farmers and farmers' clubs to purchase paddy cleaners with the 50% subsidy announced by the Government. At notified mill points, it is the responsibility of the miller to position the required equipments to facilitate cleaning operations.
27. Joint Collectors shall fix Mandi labour charges / handling charges at Market yards / PPCs / S.H.Gs of IKP Centers uniformly in consultation with Marketing Department concerned duly keeping in view of the rates fixed by the Govt. of India so as to avoid any variations.

28. At purchase points proposed in open space of SWC/CWC godowns, premises, the platforms should be erected either permanently or with rice husk base. The Marketing Department will provide necessary assistance. Joint Collectors may issue further instructions as required.

Regulation of paddy arrivals:

29. Collectors shall regulate the paddy arrivals to the Market yards PPCs /village-wise and date-wise. Village-wise arrival schedule should be informed through beat of drum (tom tom) for the benefit of the farmers. This shall also be prominently indicated at the conspicuous place in the Market yards / Paddy Purchase Centres. This work should be specifically entrusted to Tahsildar's concerned in consultation with Mandal Agricultural Officer and Secretary, AMC Gram Panchayats concerned. The R.D.Os shall personally supervise compliance with the instructions.

30. The officials at the purchase centres shall issue a certificate to the purchaser indicating the name and address of the farmer, name of the commission agent / miller who purchased paddy, quantity of paddy purchased and the rate paid (MSP or above) and also enter the same in B Register. In respect of non-trading rice mills participating in Mill Levy delivery, the same entries shall be made in A Register. Upon scrutinizing the certificates or weekly reports of the Supervisory Officers, the mill levy delivery will be allowed by the Collectors. A copy of the certificate shall be furnished to the Tahsildar concerned and to the Agriculture Market Committee, wherever it exists.

31. The above exercise will be carried out in respect of purchase of paddy in the market yards where the millers purchase paddy. Similar exercise shall be carried out at the mill points by the teams constituted.

32. Paddy purchased by the A.P. State Civil Supplies Corporation including by the S.H.Gs of IKP shall be handed over to the nearest designated rice mills for custom milling as per the agreed terms and conditions and at the rates and norms fixed by the Government of India. The custom milling has to be simultaneously attended not later than 15 days by the rice millers along with the milling of paddy meant for delivery of levy. The District Manager concerned shall deliver the paddy procured to the rice miller within 15 days positively from the date of procurement. The District Managers, Civil Supplies Corporation shall release paddy to the rice millers identified by the Joint Collectors concerned against either advance delivery of rice or against the undertaking given by the Rice Millers Association of the concerned District or the area. The system of Bank Guarantee or collateral security equivalent to paddy delivered to be taken from the individual rice millers is one of the mechanisms to ensure security of stocks but other mechanisms are also available in the hands of District Administration to regulate and control milling as well as custom milling activities. Hence, the best option as deemed fit may be decided and followed by the District Collector.

33. The paddy stock delivered to the Rice Mills for custom milling shall be under the joint custody of the Miller and the local officer designated by the Joint Collector. If the Miller contravenes any of the conditions of the agreement entered with Civil Supplies Corporation, he will be blacklisted and proceeded against under the provisions of law.
34. Handing over of paddy and delivery of rice to FCI after custom milling shall be closely monitored by the Joint Collectors, Dist. Managers of the A.P State Civil Supplies Corporation, District Supply Officers at District level and Revenue Divisional Officers, Tahsildars and Deputy Tahsildars(CS) at field level. This is very crucial for claiming the payments by APSCSCL from FCI against C.M.R delivered so as to facilitate repayment of cash credit taken by the A.P. State Civil Supplies Corporation Ltd from the Reserve Bank of India..
35. The A.P. State Civil Supplies Corporation Ltd has been entrusted with the procurement of paddy under MSP operations on behalf of the Government of India and State Government to protect the farmers from distress sale of paddy. In order to ensure the safety and security of the paddy stocks and to ensure the delivery of custom milled rice by the millers in time and at the stipulated ratio fixed for levy and CMR, the Joint Collectors shall issue orders to the DSOs, RDOs, and Tahsildars and enforcement staff such as DT(CS), MRI etc. to inspect the rice mills under their jurisdiction for making the millers adhere to the orders of the Government in letter and spirit, for fulfilling the objectives of the Public-Private Partnership as explained in introductory para and also for repaying the bank credit against stocks delivered to FCI.
36. Millers who fail to comply with custom milling direction, shall be debarred from participating in levy operation. While making allotment of paddy for custom milling, the Collectors shall keep in view the distance to be covered from the paddy purchase centre to rice mill, capacity of the rice mill, type of rice mill (raw/boiled) etc. There shall be no imbalance in allotment of paddy to the rice mills for custom milling.
37. Rythu Bandhu scheme will also be extended to such of the farmers who want to retain their paddy for better price in future, which can be stored in the available space of the godowns of SWC/CWC/ PACS and other private godowns rented to Agrl. Market Committees. This shall be the responsibility of the Agrl. Market Committee concerned.
38. The mill levy expectation of rice for KMS 2007-08 is fixed at 62.00 Lakh Mts excluding the custom milled rice. This will be delivered by the rice millers only based on the purchases made as per the guidelines issued herein. Required godown space will be made available by the FCI/SWC/CWC to accommodate the arrivals of rice under procurement. The G.M. (A.P. Region) Food Corporation of India will make advance arrangements in this regard.
39. Movement of rice, particularly boiled rice, to other States will also be stepped up by the FCI to create godown space for receiving levy rice. This aspect shall be

reviewed with FCI / Railways once in a fortnight by the Commissioner of Civil Supplies/Director of Civil Supplies.

ROLE OF THE DISTRICT ADMINISTRATION:

1. The District Collector shall be the overall in charge for ensuring MSP operations assisted by the Joint Collector and DSO / D.M., A.P. State Civil Supplies Corporation Ltd at the district level and Sub-Collector / RDO at the divisional level. All departmental officials / other officials of the operational agencies shall be directly accountable to the District Collector in this regard.
2. As the paddy procurement operations are seasonal, Collectors shall take necessary steps for drafting required personnel to man the paddy purchase centers to be opened by the APSCSCL / F.C.I. and to monitor paddy procurement operations at S.H.Gs of IKP Centers from various Departments like Revenue, Civil Supplies, Agriculture, Marketing, Cooperative, DRDA, ITDA, Treasuries & Accounts duly fixing the responsibility and accountability. The personnel, who are incharge of the paddy procurement and storage should be made responsible for quality and quantity till the stocks are transported to the rice millers / godowns for storage. The stage-wise duties and responsibilities as per the introductory part of operational guidelines should be kept in view by Collectors while allocating specific tasks to concerned officials of respective departments so that specific tasks are assigned at each level to concerned officials without any scope for confusion or contradiction.
3. District Collectors shall take advance steps for arranging orientation and training programmes for the staff drafted at PPCs and S.H.Gs of IKP centres to ensure successful implementation of MSP operations. Necessary support shall be provided by all operational agencies at the district level.
4. The District Level Committee should call for the tenders to finalize the rates and the agencies for the following items:
 - (i) Procurement of once used gunnies;
 - (ii) Fixation of space and rates of the private godowns,
 - (iii) Transportation of paddy;
 - (iv) Hamalies for the new PPCs,
 - (v) Engaging the services of Quality Control Staff.
5. A control room shall be opened at the Collectorate to function round the clock during the peak procurement season. The DSO shall get the information from time to time and transmit to the Joint Collector, Collector and Commissioner of Civil Supplies by fax and on line. The District Control Room shall be connected to the State Control Room set up in the office of the Commissioner of Civil Supplies, Somajiguda, Hyderabad wide publicity should be given about functioning of both the control rooms indicating telephone / fax numbers e- mail address etc.
6. Information on purchases of paddy at market yards, purchase centres of S.H.Gs / mill points shall be displayed on APSWAN SERVER No.10-2.175.79 USER

NAME ccs_dcs password:ccsdcs Domain name: cscho for displaying updated information on internet web page : www.aponline.gov.in/civilsupplies as well as the departmental website. ap civil supplies. gov. in

7. The District Level Procurement Committee with Joint Collector as Chairman and Members, namely, Joint Director, Agriculture, District Supply Officer, Dist. Manager, Civil Supplies Corporation, Project Director, DRDA, Dy. Director / Assistant Director, Marketing, RTO shall review the arrangements from time to time at least once in a week, to ensure MSP for paddy arriving in the markets, Paddy Purchase Centres set up by the Government Agencies / S.H.Gs of I.K.P and notified mill purchase points.
8. The Collector, under clause 4A of the A.P Rice Procurement (Levy) Order, 1984 shall ensure payment of MSP for paddy and also shall be responsible for the implementation of the operational plan and guidelines issued by the Government from time to time for ensuring MSP and procurement of paddy and rice, in addition to giving effect to all the instructions contained herein.
9. The Dist. Collector shall identify and notify various markets over and above the existing market yards within his/her district jurisdiction and inform to the farmers, traders and millers about the procurement of paddy of FAQ at MSP .
10. Farmers' training programme shall be conducted by the Panchayat Secretaries, Agriculture Extension Officers etc., to educate the farmers. In this training programme, farmers should be told that they can bring paddy to market yards/purchase centers and notified mill points directly without any middlemen.
11. They shall bring paddy on the dates notified for each village so as to avoid long queues, waiting and inconvenience to them.
12. It shall be made clear to them that price fixation of paddy of Non- FAQ will be done by the supervisory teams consisting of officials, two farmers' representatives and the farmer concerned , who brings paddy.
13. Farmers need not have to pay any service charge to anybody in the MSP transaction except for unloading their stocks and the commission to Adatiya in case they want to utilize his service, as permitted in these guidelines. If there is any demand other than the above, complaint should be lodged with the MRO concerned or the officials at the Paddy Purchase Centre / Market Yards / Sub – Yards.
14. Collectors shall organize one day workshop to be conducted at district level involving the Hon'ble M.Ps / MLAs / Chairman ZPP / Presidents, MPPs, members of ZPTCs / MPPs / MPTCs / farmers representatives and the press besides officials involved in MSP operations for explaining and discussing the measures being taken by the Government in ensuring MSP for paddy.
15. Similarly, at each Mandal level, one day workshop should be conducted with Hon'ble MLA / MPP / Members of 2 PTCs / MPTCs, Person-in-charges of PACSs, representatives of farmers' clubs / prominent farmers, Marketing

Committee Members / officials and others concerned with MSP operation for paddy.

16. At Gram Panchayat level, orientation programme shall be conducted by the Panchayat Secretary with the MPTCs, Sarpanch, Gram Panchayat Members, farmers of the village, Press persons and all others connected with MSP operation for paddy.
17. District Collectors shall ensure the availability of adequate infrastructure, including 10,000 gunnies at each Paddy Purchase Centre at any point of time (at least during the peak season), duly working out the modalities in coordination with the procurement agencies ie., F.C.I, A.P.S.C.S.C.L. . PD. DRDA. However, the option of farmers getting their own gunnies may also be considered, subject to payment of fixed rate as tried during Rabi 2006 in some districts like Nalgonda, Mahabubnagar etc. Collectors may issue necessary guidelines in this regard.
18. MSP Certificates for purchase of FAQ paddy at Market yards, at farm gate / mill point and for non-FAQ paddy should be got printed in the proforma prescribed at the district level in white colour for FAQ and pink colour for non FAQ. Serial number should be given to each certificates continuously – separately for 1) FAQ purchases at Market yards and 2) at farm gate / mill point and 3) for non-FAQ paddy.
19. In order to ensure that there is correct payment to the farmers for paddy sold at mill point/farm gate, it is necessary to have the counter-signature of either the Panchayat Secretary or Sarpanch or Ward Member on the certificates pertaining to FAQ paddy and non-FAQ paddy separately.
20. The certificates to be issued by the District Administration for delivery of levy to the FCI should be printed in three colours – original in blue colour paper; copy to the miller in pink colour paper and office copy in white colour paper. Serial number to these certificates should be given continuously for the entire district.
21. There shall be no restriction on purchase of paddy by the rice millers from other districts. In respect of such purchases, the millers shall furnish copies of certificate of purchase of paddy at MSP to the Tahsildars concerned of that district, for the purpose of getting M.S.P. certificate for delivery of levy rice. The rice millers will furnish the M.S.P vouchers with the signature of the Sarpanch / Secretary of the Gram Panchayat or Ward Member, as the case may be, along with the seal of the Panchayat. These receipts (Rythu vouchers) shall be accepted by the District Administration for issuing certificates for delivery of levy to the F.C.I., However, subsequently 10% of the M.S.P. vouchers by the rice millers shall be selected at random and sent to the Tahsildars concerned for verification and certification. In case the information furnished in the M.S.P. voucher by the miller is found to be not correct action as per A.P. Rice Procurement (Levy) Order, 1984 shall be taken against the miller concerned.

22. In respect of certificates of paddy purchased in the district at MSP, 10% of the certificates should be verified about payment of MSP by the Supervisory teams or teams designated for this purpose. There shall be no prefixed mill levy target for either district or mill. Procurement of levy rice by the FCI will be on the basis of performance of the miller in purchase paddy at MSP. The Rice Millers / dealers shall enter the details of paddy purchases in the Registers maintained and to deliver 75% of rice derived out of total paddy milled / rice acquired for sale to Food Corporation of India under Mill Levy.
23. Boiled rice delivery should be determined based on the area where boiled rice varieties are grown and the milling capacity. Collectors will issue orders twice in a week to the FCI for accepting mill levy rice @ 75% derived out of total paddy milled / rice acquired for sale by the millers after scrutinizing the reports / certificates received from the Supervisory teams twice in a week regarding payment of MSP for paddy.
24. The District Collector shall ensure that rice millers maintain the correct account of the purchase of paddy at MSP with full details of the names and addresses of the seller and the amount paid by cash or cheque in his normal record i.e. A and B registers. The particulars of purchases with the signature of the farmers shall be maintained in triplicate. A copy of such purchase statement shall be made available to the Tahsildar concerned for verification by the Supervisory Officers regarding payment of MSP to the farmers. A copy of the certificate of purchase of paddy at MSP shall be made available to the AMC concerned for watching the collection of Market Fee.
25. The Members of the active Farmers Clubs will also be included in the Committee for countersigning the record about payment of MSP for FAQ paddy and also payment with permissible cuts in respect of non-FAQ paddy.
26. The authorized Officers of Civil Supplies and Revenue Departments shall verify the payment of MSP to the individual farmers and also to verify the registers whether the rice millers have entered the details of total paddy purchased by him / her in the registers maintained at the rice mills. Based on the purchase of paddy at MSP and after verification of record of maintained by the rice millers, 75% of mill levy rice derived out of total paddy milled shall be allowed.
27. In case MSP has not been paid due to poor quality and other reasons, the miller/purchaser should record the reasons for not paying the MSP in the remarks columns of the Register/Receipt.
28. Millers shall give receipt in the format - White for FAQ paddy and Pink for non-FAQ paddy, recording reasons there- on for reduction in price for non-FAQ paddy.
29. Receipt books in the proforma and colours prescribed by the Government shall be got printed uniformly by the Collectors and supplied to the rice millers on payment of cost. The rice millers shall issue receipts to the farmers from these books only.

30. The Dist. Collector will have the authority or right to refuse to permit for mill levy delivery to FCI in such cases where the rice millers or traders have failed to pay MSP for FAQ paddy to the farmers.
31. The District Collector shall ensure that weighing systems, preferably electronic weighing scales are installed forthwith in all the Paddy Purchase Centres including Market Yards/ Godowns / Mill points / Centres opened by the S.H.Gs of IKP.
32. The concerned District Legal Metrology Authority shall inspect all the weighing machines and scales to ensure that they are maintained correctly and accurately and furnish a report on the result of inspection to the Commissioner of Civil Supplies & Ex-Officio Secretary to Government, Consumer Affairs, Food and Civil Supplies Department. Non- receipt of the report will be viewed very seriously.
33. To ensure safety to the paddy procured at each Paddy Purchase Centre, the District administration, with the help of the Marketing Department, should take adequate steps to provide platforms, dunnage, rice husk base and tarpaulins to store paddy in CAP storage.
34. The deployment of superannuated staff will be purely on contractual basis and honorarium will be paid by the Dist. Collector depending upon their grade/qualifications.
35. As the operations are only for 75 days for Kharif / Rabi season, maximum effort should be made to utilize the existing man power in the district to avoid unnecessary expenditure and also to fix accountability and responsibility.
36. Each Paddy Purchase Centre shall have adequate man power, gunny bags as well as money to pay off their liabilities on day to day basis. At the same time, CMR operations will be closely monitored to ensure repayment of bank credit by collecting payments from FCI against CMR deliveries.
37. A.P. State Civil Supplies Corporation shall always pay through cheques for the paddy purchased from the individual farmers for which a proper account and Acquaintance Register shall be maintained at each Paddy Purchase Centre.
38. This Acquaintance Register shall be verified from time to time by the concerned senior officials of the Civil Supplies Corporation and other authorized Govt. functionaries.
39. The millers shall pay cash up to Rs. 10,000/-, bearer cheques upto Rs.25,000 and crossed cheques for more than Rs.25,000 for value of the paddy purchased from the farmers. Farmers will have option to take either cash or cheque up to Rs 10,000/- also.
40. The Collectors shall ensure that payment of value of paddy sold by the farmers is made by the rice millers within 7 days positively.
41. In charge of the Paddy Purchase Centre shall be responsible for the quality and quantity of paddy purchased including the President of S.H.G of the IKP;

42. Paddy once brought to the market PPC by the farmers should be purchased of the market yard / at PPC and the stocks be cleared by millers / traders / Govt. agencies S.G.H. of IKP within 48 hours.
43. All the Paddy Purchase Centres will be linked / tied up with rice mills identified by the Collector in consultation with the Rice Millers Association of the District for custom milling of paddy procured.
44. Dist. Collectors shall inform on daily basis the progress of procurement and MSP operations duly indicating the total arrival of paddy for the day, sale and MSP operations in the prescribed proforma to the Commissioner of Civil Supplies & Ex-Officio Secretary to Government. In case of any difficulty, they shall immediately bring to the notice of the Government by contacting the State Control Room.
45. The Collectors shall also inform the Commissioner of Civil Supplies once in a month, to reach by 5th of the succeeding month, a consolidated statement of the information on arrivals of paddy variety-wise in the market yards, Paddy Purchase Centres opened by Civil Supplies Corporation / S.H.G of IKP and FCI, mill points and the prices secured for that paddy during the month reported upon.
46. The Collectors shall conduct meetings regularly with the representatives of political parties / farmers / the Dist. Rice Millers Association at the district level and Mandal level once in a fortnight without fail to review the MSP operation and to redress the grievances, if any. The dates on which these meetings are conducted and copies of minutes of the meeting shall be furnished to the Commissioner of Civil Supplies. **The first meeting shall be convened before 10.10.2007** if not convened so far.
47. A Grievance Redressal Cell shall be opened in the Mandal Revenue Office. The complaints received shall be registered properly. These complaints shall be got enquired into by the supervisory teams having jurisdiction over the area on priority. The result of enquiry should be recorded in the register. The complainant should be informed of the result of enquiry. This shall also be made available to the senior officers to enable them to cross check during their visits.
48. The gunny bags required shall be indicated in advance to the A.P. State Civil Supplies Corporation and FCI for positioning the same in the respective market yards.

MARKETING DEPARTMENT.

1. All the Market Yards, Paddy Purchase Centres set up by Civil Supplies Corporation / S.G.H of IKP / FCI, notified Mills in the cluster and open space at the SWC and CWC godowns will be notified as Markets for purchase of paddy at MSP .
2. Agrl. Market Committee should maintain a register of names of farmers who bring paddy to the Market / Sub- Yard. The disposal of paddy should be arranged on first-in–first-out (FIFO) basis, however, priority should be given for disposal of paddy brought by small and marginal farmers.

3. Necessary infrastructure like Moisture – Meters, Weighing Scales, Paddy Cleaners, Tarpaulins and the Platform (only in the cases of centres set up by the S.H.Gs of IKP) etc. will be provided at the above notified markets (point 1) by the Marketing Department.
4. Compound walls/fencing should be constructed at all the notified Market Yards / Sub Yards by the Marketing Department. In respect of SWC/CWC godown points, the compound walls etc will be constructed by the respective agencies.
5. **At all the PPCs and notified Market Yards, paddy cleaners/ driers, moisture meters, calipers, winnowing machines, sieves, tarpaulins weighing machines, balances etc. will be positioned adequately, provided to the farmers for use and will be inspected by the Supervisory Teams once in a week, any inadequacy in the equipments / non-functionality / non-availability should be invariably reported to the District / State Control Room on the same day.**
6. Publicity regarding the specifications MSP of paddy and the location of PPCs Market Yards / mill points / Godown Points etc will be given. Through a sustained campaign, the farmers shall be informed to bring FAQ paddy to get MSP. It may also be informed that in respect of paddy not conforming to FAQ specifications, paddy cleaners/ driers are available at the Paddy Purchase Centres / Market Yards to bring the paddy to FAQ standards.
7. **Power connections should be given to all the equipments installed at the Market Yards and charges shall be paid by the Market Committees from out of the market fee collected by them. The Moisture Meters should also be provided with battery back up in case of power interruptions All the Market Yards should have functional generators or hire the services of the generators during the procurement period.**
8. Licenses to the Commission agents will be given by the Marketing Department. No unlicensed Commission Agent shall be allowed to operate at any purchase centre.
9. Arrangements will be made for storing paddy at the Market Yards / PPCs with heavy arrivals under CAP storage.
10. Necessary assistance to the team of officials in the Market Yard in ensuring MSP for paddy and issuing the required certificates will be given as the Marketing Department is the Market Regulator.
11. Required registers on arrival, disposal, bid rate, MSP paid etc along with the names and address of the farmers and the buyers will be maintained.
12. In the Market yards, whenever any farmer brings paddy, the Supervisory Team along with the farmer who brings paddy and a representative of the Market Committee, shall fix the rate for paddy, depending upon the quality of paddy. The rate so fixed shall be the base-price for starting the bidding. There shall be no under-bidding i.e. below the rate fixed by the team.

13. Continuous training programme to the farmers shall be organized by the Marketing Department regarding the specifications for FAQ paddy and the MSP operations.
- 14.A "Farmers' Contact Programme" should be conducted by Marketing Department to elicit the views of the farmers and others concerned in disposal of their paddy and to receive suggestions if any for improvement of the system.
15. The Market Committee shall issue passes up to 10 persons including representatives of political parties at a time to visit the Market Yards during MSP operations.
16. Marketing Department will fix uniform charges payable on behalf of Procuring Agencies at the Market Yard for handling at the Market Yard for handling of the stocks of paddy including the outsourcing of machine stitching of the bags.

AP STATE CIVIL SUPPLIES CORPORATION:

1. AP State Civil Supplies Corporation will be the agency along with FCI of the Govt. of AP entrusted with the procurement of paddy at MSP and for its custom milling. APSCSCL will also tie-up with the S.H.Gs of IKP for taking up procurement operations of paddy in consultation with the Chief Executive Officer, SERP.
2. A.P. State CS Corporation shall be in constant touch with the District Administration regarding the requirement of gunny bags, funds and man power for procurement of paddy and custom milling.
3. To facilitate smooth and easy procurement, required staff shall be deployed as per the need indicated by the District Collector, by way of deputation from other departments / districts (in respect of Corporation employees as well as on contract basis.
4. Advance action plan of custom milling of paddy with the respective / designated rice mills should be drawn up by the AP State Civil Supplies Corporation by entering into MoU with the rice millers concerned. The entire paddy procured by the Corporation shall be handed over to the identified rice mills on day today basis in order to ensure its custom milling and delivery of resultant rice to the FCI within the stipulated time. Failure on the part of any individual in this regard will be viewed seriously.
5. A.P. State Civil Supplies Corporation should forthwith submit to the Govt. the expected cost of various operations of custom milling of paddy so as to arrange the cash credit limits from the Reserve Bank of India.
6. Each District office of Civil Supplies Corporation shall be designated as a unit of business for procurement of paddy. Provisional Profit and Loss account shall be prepared district-wise and accountability has to be fixed for correct implementation of the entire operation of procurement under the over all supervision of the Managing Director, A.P. State Civil Supplies Corporation Ltd.
7. The employees at the Paddy Purchase Centres shall be accountable for quality, quantity and maintenance of proper accounts.

8. The VC & Managing Director of AP State Civil Supplies Corporation will take all necessary steps to complete the Paddy Purchase operations and to observe necessary prudence in carrying out the operations. He will be in regular touch with District Collectors / Joint Collectors / P.D. DRDAs and other district level officials. In case if any problem, he will bring it to the notice of the Commissioner of Civil Supplies & Ex. Officio Secretary to Government for resolving any issue.

FOOD CORPORATION OF INDIA.

1. General Manager (A.P. Region), Food Corporation of India shall declare all the godown points as Paddy Purchase Centers. Besides, the FCI shall also open as many Paddy Purchase Centers as required by the Collectors concerned.
2. GM,FCI shall make available adequate number of gunnies, funds and the staff for purchase of paddy offered by the farmers at their purchase centres.

ROLE OF CHIEF EXECUTIVE OFFICER SOCIETY FOR ELIMINATION OF RURAL PROVERTY:

The Chief Executive Officer, SERP shall take all necessary steps in coordination with the VC & Managing Director, A.P.S.C.S.C.L to organize as many Paddy Purchase Centres as possible in all the districts to be set up by the capable S.H.Gs / VOs of the IKP on line with the procurement of maize under taken during KMS 2006-07.

ROLE OF COMMISSIONERATE OF CIVIL SUPPLIES.

1. Commissioner of Civil Supplies & E.O. Secretary shall be in constant touch with Govt. of India / Food Corporation of India Officials / State Agencies on procurement and movement of stocks by railways. Reserve Bank of India on the matters of credit, flow of finance and the District Administration for levy delivery and MSP operations.
2. Commissioner of Civil Supplies will open a Control Room in his office with phone No. 040 - 23394637 for communicating details of MSP operations of paddy. This Control Room will obtain daily situation report / progress of procurement / MSP operations throughout the State and report to Government of Andhra Pradesh and Government of India. This Control Room shall receive complaints pertaining to MSP operations and get them redressed at the earliest.
3. Commissioner of Civil Supplies shall conduct frequent Video Conferences / review of the various operations with the Procuring Agencies, Collectors and other District Officers and report to the Government on the progress of procurement of paddy by the millers, FCI, Civil Supplies Corporation, S.H.Gs of IKP delivery of levy rice to FCI and delivery of custom milled rice to the FCI.

G. N. RAO,
EX. OFFICIO SECRETARY TO GOVERNMENT
ANNEXURE - IV

SCHEDULE OF SPECIFICATIONS FOR FAQ PADDY

S.No.	Refractions	Maximum limit%
1	Foreign matter a) Inorganic b) Organic	1.0 1.0
2.	Damaged, discoloured, sprouted and weevilled grains	3.0
3.	Immature, Shrunken and shriveled grains	3.0
4.	Admixture of lower class	7.0
5.	Moisture content	17.0

**RATE OF CUT FOR ACCEPTING NON-FAQ PADDY
BY RICE MILLERS**

S.No.		Rate of cut	
		Grade A	Common
		Rs. P.	Rs. P.
1.	a) Inorganic For every 1% over Permissible 1%	6.75	6.45
	b) Organic For every 1% over Permissible 1%	6.75	6.45
2.	Damaged, Discoloured, Sprouted, Weevilled, Immature Shrunken and shrivelled grains For every one percent over permissible 6% (upto 10%)	6.75	6.45
3.	Moisture: For every 1% over permissible 17%	6.75	6.45

G. N. RAO,
EX. OFFICIO SECRETARY TO GOVERNMENT