

MSP OPERATIONS FOR PADDY AND PROCUREMENT OF RICE IN ANDHRA PRADESH STATE

MSP operation of Paddy:

- The two main objectives of the CS Dept are to procure rice required for Public Distribution System and Other Welfare Schemes and to ensure Minimum Support Price for the paddy farmers.
- In order to provide Minimum Support Price to the farmers, Government of Andhra Pradesh has been implementing the M.S.P. operations for purchase of paddy, maize, other coarse grains and pulses.
- The Civil Supplies Department is implementing the MSP operations for paddy and the AP MARKFED is implementing the MSP operations for Coarse grains and Pulses depending on the market prices and necessity.
- To ensure remunerative price for the paddy, Government have undertaken a pro-active and massive M.S.P (Minimum Support Price) operations for paddy. To achieve this objective, the following three strategic instruments have been adopted:
 1. The main instrument to ensure remunerative price to the paddy farmers is procurement of rice through Food Corporation of India.
 2. The second instrument is to effectively intervene in procurement of paddy through Govt. agencies viz., F.C.I, APSCSCL, Velugu, PACS, GCC, WUA, etc.
 3. The third instrument is procurement of paddy by millers / traders through regulated markets yards.

Till KMS 2013-14, as per the A.P.Rice Procurement (levy) order,1984, the millers/ traders shall deliver 75% of rice produced by them as levy to the FCI /APSCSCL and the remaining 25% was allowed for sale in the open market. Hence the millers / traders were purchasing

almost all the marketable surplus paddy for levy delivery and levy free utilization. Purchases by the Govt. agencies is very less.

In KMS 2014-15, the GOI reduced levy percentage from 75 to 25 and also ordered that payment to farmers shall be through account payee cheques / RTGS transfer to bank accounts of the farmers.

De-Centralized Procurement (DCP)

The GOI has also directed to take up Decentralized Procurement (DCP) in the State. Due to infrastructure, staff deficit, and logistic constraints, DCP was initially taken up in the state in four districts of (1)Chittoor, (2)SPSR Nellore, (3)Guntur, (4) Prakasam during KMS 2012-13 and extended to 2 more districts of Vizianagaram and Kurnool during KMS 2013-14,

- The Govt. of India completely abolished the procurement of rice as levy from rice millers from KMS 2015-16 (i.e., from 1st October, 2015).
- As per the **De-Centralized Procurement (DCP)** scheme the State Govt. shall procure Paddy, mill the paddy and retain the resultant raw rice for TPDS and Other Welfare Schemes as per allocation made by the Central Government.
- Excess stocks shall be handed over to the FCI for Central pool operations.
- In the event of short fall of rice, the Govt. of India through FCI will supply deficit rice.
- Accordingly an MoU was executed between the GOI and the State Govt. on DCP from the KMS 2015-16.
- The state's requirement of raw rice for TPDS and Other Welfare Schemes is about 2.54 LMTs per month i.e., 30.48 LMT per annum and for this about 46 LMTs paddy has to be procured and convert into rice. Excess rice beyond states' requirement is being delivered to FCI for Central Pool.
- The AP State Civil Supplies Corporation Ltd is the nodal agency of Govt. of AP for paddy procurement operations.
- Due to abolishing the mill levy and introduction of DeCentralized Procurement, the APSCSCL has to procure paddy in huge quantities and

custom mill it and distribute the raw rice under PDS and OWS as per the GOI allocation and hand over the excess raw rice and boiled rice to the FCI.

- APSCSCL made exhaustive arrangements for paddy procurement. Gunnies, moisture meters, cleaners, tarpaulins, etc., equipment and manpower are kept ready for the paddy purchases and CMR acceptance by APSCSCL and FCI.
 - The APSCSCL is procuring paddy directly from the farmers and ensuring MSP to the paddy.
 - Paddy Purchase Centres as many as required are opened for purchase of paddy from the farmers.
 - To facilitate the farmers, paddy is purchased at farm gate also.
 - Land records of farmers and crop details are cross checked through e-Crop and Web land Database.
 - If any farmer claims cultivation and not found in the above database, then manual tagging of land records was allowed through the certification of Tahsildar or VRO.
 - Paddy is procured as per the FAQ specifications prescribed by the GOI at MSP only.
 - Field staff at PPCs are well trained in procurement of paddy as per specifications.
 - Paddy is transported to the designated rice mills immediately after purchase.
 - There is no scope for millers or middlemen in purchase of paddy.
 - The Rice mills role is limited to custom milling the paddy handed over to them and deliver the resultant rice to the APSCSCL / FCI.
 - Payment to farmers is made to the bank accounts of farmers within 24-48 hours through electronic fund transfer.
 - The entire procurement operations right from receipt of paddy in the PPCs till deliver of CMR in the buffer godowns is monitored on real time basis through online Procurement Software <http://www.nfsa.ap.gov.in/CSPPS>

- Every miller shall maintain and submit online true accounts indicating the total transactions of custom milling right from receipt of paddy, paddy milled, CMR delivered and balance stocks available at the end of the day in Form-A1 and A2.
- Every miller shall maintain separate account for the stock of paddy purchased on his own account, paddy milled, rice produced, sold within or outside state etc., in Form-B and submit online report to the concerned authority.
- Procurement policy GO issued for the KMS 2018-19 in GO Ms.No.20 CA,F&CS Dept., dt.12.09.2018. A copy of it is available on the internet and can be accessed at the address- www.ap.gov.in;
<http://goir.ap.gov.in/>

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