

## **DECENTRALIZED PADDY PROCUREMENT OPERATIONS: AN OVERVIEW**

The Odisha State Civil Supplies Corporation Ltd. (OSCSC) has been procuring rice under Decentralized Procurement (DCP) scheme of Govt. of India since Kharif Marketing Season (KMS) 2003-04 involving direct purchase of paddy from farmers & milling it into rice for distribution in various schemes under Public Distribution System (PDS).

### **1. OBJECTIVES OF DECENTRALISED PROUREMENT OF PADDY:**

- To purchase paddy from farmers directly on payment of Minimum Support Price (MSP).
- To mill paddy into rice and utilize under Public Distribution System (PDS).
- To avoid distress sale of paddy in the State.

### **2. PAST TARGETS AND ACHIEVEMENTS: A SUCCESS STORY OF OSCSC LTD.:**

Keeping these objectives in prime focus and the active role played by OSCSC Ltd., the paddy procurement operations through DCP Scheme is in increasing trend over the past years. The following table illustrates the targets and achievements in respect of paddy procurement operations carried on by OSCSC Ltd. in different Kharif Marketing Season:

Table indicates target and achievement in paddy procurement by OSCSC Ltd. over the years:-

<b>KMS</b>	<b>No of Districts</b>	<b>No. of Paddy Purchase</b>	<b>Target Rice (in M.T)</b>	<b>Equivalent Paddy (in MT)</b>	<b>Achievement Rice (in MT)</b>	<b>Equivalent Paddy (in MT)</b>
2003-04	19	42	60,000	88,422	38,819	59,419
2004-05	22	74	1,00,000	1,51,642	92,413	1,40,119
2005-06	30	222	2,70,000	4,09,091	2,54,260	3,85,734
2006-07	30	320	5,79,000	8,77,272	5,35,878	8,12,000
2007-08	30	540	10,03,000	14,97,015	9,47,472	14,04,224
2008-09	30	641	17,21,000	25,30,882	16,87,951	24,89,799
2009-10	30	1644 PACS (1218) OSCSC (426)	23,80,500	35,00,735	22,04,213	32,48,107

2010-11	30	1946 PACS(1610) OSCSC(336)	22,98,100	33,79,559	21,06,287	31,06,531
2011-12	30	2347 PACS(2011) OSCSC(336)	26,99,000	39,69,118	25,70,816	37,80,612

*It is evident that there has been tremendous increase in quantum of paddy procured since the inception of DCP Scheme for the first time in Odisha up till the previous KMS.*

**3. PADDY PROCUREMENT STATUS of OSCSC LTD. DURING KMS: 2011-12 and 2012-13 (AS ON 24.06.2013): AN ANALYSIS.**

**a) Delivery of rice for the KMS: 2011-12 (as on 24.06.2013):**

- Total CMR delivered by custom millers - 25,62,856 M.T
- CMR delivered to RRCs - 21,42,463 M.T
- CMR delivered to FCI - 4,20,393 M.T

**b) Delivery of rice for the KMS: 2012-13 ( as on 24.06.2013)**

- Target in terms of Rice - 36,04,040 M.T
- Target in terms of equivalent Paddy - 53,12,405 M.T
- Achievement in terms of Paddy - 48,49,147 M.T
- Achievement in terms of equivalent Rice - 32,89,488 M.T
- Total CMR delivered by custom millers - 14,30,741 M.T
- CMR delivered to RRCs - 10,24,592 M.T
- CMR delivered to FCI - 4,06,149 M.T

**4. MINIMUM SUPPORT PRICE (MSP) OF PADDY DURING DIFFERENT KMSs:**

The DCP Scheme in its own essence is meant for safeguarding the interest of the farmers by ensuring payment of MSP for the surplus paddy of the farmers at the nearest decentralized Paddy Procuring Centre. The Minimum Support Price fixed for different KMSs is as given below:

(Rs. per quintal)		
KMS	RATE OF COMMON PADDY	RATE OF GRADE-‘A’ PADDY
2003-04	550.00	580.00

2004-05		560.00	590.00
2005-06		570.00	600.00
2006-07		580.00 + Rs. 40.00 (Bonus)	610.00 + Rs. 40.00 (Bonus)
2007-08	(up to 23.06.08)	645.00 + Rs. 100.00 (Bonus)	675.00 + Rs. 100.00 (Bonus)
	(w.e.f. 24.06.08)	850.00	880.00
2008-09		850.00 + Rs. 50.00 (Bonus)	880.00 + Rs. 50.00 (Bonus)
2009-10		950.00 + Rs. 50.00 (Bonus)	980.00 + Rs. 50.00 (Bonus)
2010-11		1000.00	1030.00
2011-12		1080.00	1110.00
2012-13		1250.00	1280.00

#### **5. ECONOMIC COST OF CUSTOM MILLED RICE DURING DIFFERENT KMSs:**

The provisional economic cost of custom milled rice retained for distribution under the scheme decentralized procurement (DCP) operations in respect of Government of Odisha and its agencies for different KMSs is as follows:

			(Rs. per quintal)	
KMS		ECONOMIC COST		
		Raw	Par Boiled	
2003-04		1072.55	1049.78	
2004-05		1128.20	1112.20	
2005-06		1151.45	1142.63	
2006-07		1248.35	1238.04	
2007-08	up to 23.06.08	1435.47	1421.15	
	w.e.f. 24.06.08	1608.63	1588.71	
2008-09		1710.14	1688.76	
2009-10	27.10.2009	1838.39	1813.91	
	Revised 30.04.2010	1915.89	1890.23	
2010-11	Original	1943.46	1916.94	
	Revised	1955.13	1928.60	

2011-12 (Original up to 31.03.12)	2111.28	2081.36
2012-13	2419.05	2382.09

**6. MAJOR OUTCOME OF DCP SCHEME IN RELATION TO OSCSC LTD.:**

Till date, as on 24.06.2013, 32,89,488 M.T of rice has been procured through the implementation of DCP Scheme against the current requirement of 22 LMT of rice for human consumption in the State of Odisha through Public Distribution System.

The decentralized paddy procurement scheme is actuating a pivotal role in gathering & pooling the hard earned surplus paddy of the farmers in the State of Odisha with ensured MSP for their paddy, preventing the exploitation by the middlemen in the marketing channel. The faster progress of DCP is a step towards achieving food security in the State as well as in this subcontinent .