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Government of India
Ministry of Agriculture & Farmers Welfare
Department of Agri., Cooperation and farmers welfare
(Cooperation Division)

Policy Guidelines for Release of Pulses to States/UTs at Discounted Rate to be Utilized for Various Welfare Schemes from the Stock of Pulses Procured Under Price Support Scheme (PSS).

This Scheme is for disposal of pulses procured under PSS by way of distribution to States/UTs for utilization under various welfare schemes like Mid-day Meal (MDM), Integrated Child Development Services(ICDS), Public Distribution System(PDS), etc with central subsidy of Rs.15 per kg over the "issue price" as a "One time measure" for a period of 12 months or till present PSS pulses stock of 34.88 lakh MT lasts, whichever is earlier.

1. Duration of the Scheme : This is one time measure for a period of 12 months from the date of 1st supply or complete disposal of 34.88 lakh MT of Pulses stock, whichever is earlier.

2. Availability of Stock of Pulses: The Department of Agriculture, Cooperation & Farmers' Welfare (DAC&FW) has allocated 34.88 lakh MT of Pulses from the present stock of Pulses under PSS. Further, the balance stock with Department of Consumer Affairs, Ministry of Food, Public Distribution & Consumer Affairs (DoCA) under Price Stabilization Fund (PSF) will also be utilized under the Scheme. On receipt of indent from state, if the old stock of that type of pulses is available under PSF, the same will be transferred to PSS and equivalent amount of pulses under PSS will be transferred to PSF. This transfer will take place at zero costs between PSF and PSF at WHR (warehouse receipt) weight basis. Such transfer will ensure that PSF stock is renewed.

3. Variety of pulses: The DAC&FW and DoCA are holding the stock of Chana, Masoor, Arhar(Toor), Urad and Moong, in whole form ,confirming to FAQ norms at the time of Procurements.

4. Issue price : The formula for calculating sourcing State wise "Issue Price" will be as follows:

- a) Weighted average of last seven days of modal price of the specific pulse in the APMCs (Mandi/s) situated within a radius of 100 km of godowns from where the PSS pulse stock will be issued to the States.
- b) Weighted average of whole sale prices of selected APMCs (Mandi/s) near to the warehouse(s) of last seven days in sourcing state.

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The issue price will be the higher of (a) & (b). The validity of the "Issue Price" for each Pulse / Sourcing State wise, will be for each calendar month.

5. Empowered Committee : An Empowered Committee constituted under the Chairmanship of Additional Secretary (Cooperation), DAC&FW with representatives from Department of Expenditure, Department of Food and Public Distribution, Department of Consumer Affairs, O/o Chief Adviser Cost, Internal Finance Division, DAC&FW, Central Nodal Agencies and representatives of 4 states. The Empowered Committee will take day to day decision for smooth implementation of this scheme including following issues:-

- a) Finalize Operational guideline of this scheme.
- b) Approve "Issue price" as per method prescribed and communicate it to the States/UTs.
- c) Allocate pulses to different states/UT as per their demand.
- d) Decide type of pulses to be distributed in a state/UT as per states demand.
- e) Decide warehouse from where pulses will be issued.
- d) Decide under which schemes/programme the pulses will be distributed and its monitoring mechanism to be followed by states.
- f) Consider and decide any other related issue/s for successful implementation of the proposal.
- g) The services of any required agency or/and experts may be requisitioned by the Committee on payment basis, if necessary.

The Joint Secretary/ Director, of Marketing Division, DAC&FW will be co-opted Member of the Empowered Committee.

The Empowered Committee will meet on regular intervals.

6. Responsibilities of Central Nodal Agencies (CNA) : The scheme is an additional channel for disposal of pulses procured at MSP under PSS. The CNAs as per the PSS Guidelines are to arrange disposal at best prevailing market rate of the stock held by them within defined period of Procurement. Since this Scheme is valid for 12 months, the CNAs will continue to hold sufficient Stock to serve the States upon their indent to utilize the stock for their various Welfare Schemes. The CNAs will provide all the required support for smooth implementation of this Scheme to the Empowered Committee and the States. They will be responsible for submission of updated detailed status of stock position of pulses, daily sale price of the pulses being sold in open market through approved portal/mechanism. The issue price may

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be calculated by an agency to be engaged by CNA, based on the data available on AGMARK Net Portal or any other approved Portal/s.

The CNAs will release the Stocks on receipt of the advance fund by the State Government in the designated Bank Account, which will be further credited to the concerned Cash Credit Accounts. The delivery terms and applicable taxes, if any, in this scheme will be same as applicable for the open market disposals. The subsidy of Rs. 15 per kg will be released by DAC&FW on monthly basis to CNA on submission of delivery report counter signed by the implementing agency of the State Govt., as proof of delivery.

The CNAs will submit audited accounts of each PSS operations within the stipulated period of the PSS scheme to DAC&FW and provide the necessary documents/records for vetting of their claims to office of Chief Adviser (Cost), Department of Expenditure. Since the market is dynamic and "Issue Price" is required to be fixed periodically, the "Issue Price" so fixed will not have any binding on day to day open market disposal rates of PSS stock.

7. Responsibilities of State/UTs Governments:

- a) The responsibility of indenting State/UT Governments is to receive raw pulses from warehouses at "Issue Price" minus Central Subsidy, get it transported, processed or upgraded to FSSAI standards (as per their requirement) and ensure distribution /usage in welfare schemes (PDS, Mid Day Meal Scheme, ICDS etc.) as informed at the time of indent to the DAC&FW. While allocating raw pulses, the standard Out Turn Ratio (OTR) of pulses will be considered depending upon the need of up gradation or milling. No expenses on account of milling, transport or related expenses will be loaded by the States while calculating their requirement of raw pulses under this Scheme.
- b) The State/UT Government may also select the implementing agency which will have the responsibility of successful implementation of the Scheme. State government will ensure that the benefit of subsidy is passed on to the identified beneficiaries of the selected welfare schemes following the monitoring norms of those states schemes. The State/UTs Governments need to ensure that their Department or agencies nominated by them do not make any profit from the pulses issued under this Scheme.
- c) Any expenses beyond the point of delivery and its warehouse will effectively be the responsibility of state government/union territory. The State/UT Governments at their discretion are free to provide additional subsidy for usage in these welfare schemes. In such cases, the delivery expenses at the delivery points like labour charges, weightment charges and any delivery related expenses will be booked under PSS.
- d) The State/UT Governments shall ensure proper utilization of Pulses issued to them in various welfare schemes like PDS, Mid-Day Meal Scheme, ICDS

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will ensure sufficient publicity and awareness of the Scheme for the benefit of target groups to be covered under the Welfare Schemes for distribution of pulses.

11. **Impact Analysis**: The DAC&FW may arrange concurrent and third party evaluation of the scheme through an independent agency as per due procedure.

12. **Dispute Resolution** :- Any disputes arising between the States/UTs or their Implementing Agencies and the CNAs will be referred to the Empowered Committee , whose decision will be binding .

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