

(F.D.O.M No. 23373 dt.19.08.2023)

Government of Odisha
Department of Agriculture and Farmers' Empowerment
Directorate of Agriculture & Food Production,
Krushi Bhawan, Odisha, Bhubaneswar

No.DAFP-FERT-FERT-0049-2022 16059 /Agril. Date: 18.04.2024

**Revised Guideline on "Grant to State Fertilizer Procurement Agencies" under the
Scheme "Agriculture Input Management"**

1. Background:

The State Government has made a mandate of improving agricultural production & productivity and accordingly steps has been taken to ensure accomplishment of this objective. One of the prime factors in improving agricultural productivity is to facilitate timely availability of agricultural input like fertilizer. Prepositioning of the agro inputs at right place holds the key to ensure the availability of the vital inputs. Accordingly, the Govt. have made a provision of "Corpus fund" of Rs. 150 Crore per year as interest free loan to OSCMF for prepositioning of different fertilizers to the tune of 50% of the States total requirement.

Although the provision of corpus fund helps the institutional agency to increase its business volume there by making more fertilizer available to the farmers at fair prices but the entire prepositioning plan of the Govt. is affected due to the reasons as follows.

- a. The institutional agency find it difficult to accommodate such huge fertilizers stock for a long period of almost 06 months due to lack of adequate storage facility.
- b. Further, the actual expenses incurred towards secondary transportation at times exceed the cost provided by the companies specifically in case of Urea as institutional agency deliver the stock up to PACS/ LAMPCS at GP level. However, in case of fertilizers other than Urea, the transportation cost comes within the MRP as the sale price is fixed by the companies.

Taking in to account the above circumstances, as per this Department Notification No. 8992 dt. 13.03.2023, there was a provision of Grant of Rs. 375/- per MT to State Fertiliser Procurement Agencies i.e. Odisha State Cooperative Marketing Federation Ltd. (OSCMF) and Odisha Agro Industries Corporation Ltd. (OAIC) to meet the additional expenses towards handling, storage & transportation of Urea for its prepositioning in the State. However, considering the present mode of business, **the above grant of Rs. 375/- per MT to OAIC is here by stopped from the year 2024-25.**

2. Scheme Objectives



- a. Pre-positioning of fertilizers (Urea) by OSCMF Ltd. for making available of fertilizers (Urea) in all corners of the State at right time & right price.
- b. Fertilizer (Urea) price stabilization by leveraging to the institutional agency (OSCMF) in fertilizer business over private dealers for balancing the additional expenses incurred towards secondary freight and hiring of additional godowns.
- c. To meet unforeseen expenditure, required to achieve the above objectives.

3. Coverage Under The Scheme And Duration

a. **Target Beneficiaries**

The provision of grant to Odisha State Co-operative Marketing Federation (OSCMF) Ltd. has been made for prepositioning of Urea which in turn will be made available to the farmers at right time and right price through the PACS/ LAMPCs/ Dealers network of OSCMF. The scheme will cover all 314 Blocks under all 30 Districts of the State of Odisha only.

b. **Eligibility Criteria**

All farmers of the State will be benefited under the Scheme.

c. **Benefits**

Provision of grant will help the institutional agencies i.e. OSCMF to preposition Urea during the Kharif Season i.e. 1st of April to 30th of September of the year which in turn ensure availability of required quantity of Urea to the farmers in all corners of the State at right time and right price.

d. **Duration**

This is a continuing scheme and the SFC has been proposed and approved for 5 years i.e. from 2021-22 to 2025-26. However, this revised guideline is effective from the year 2024-25.

4. Implementation Of The Scheme

The scheme will be implemented through the institutional agency like Odisha State Cooperative Marketing Federation (OSCMF) Ltd. which is responsible for prepositioning of Urea during the Kharif Season i.e. from **1st of April to 30th of September** and distribution of the same to the farmers as per demand through their retail network including PACS/ LAMPCS.

The stock building exercise for prepositioning of **2.00 lakh MT** (about 50% of States requirement) of Urea by **OSCMF** has to start right from **1st of April** and it will continue till **30th of September**.

Provision has been made to pay **Rs.375/- (Rupees Three Hundred Seventy Five**

Only) per Metric Ton of Urea, prepositioned by the institutional agency i.e. OSCMF during the aforesaid period, to meet the additional handling charges towards storage and secondary transportation. The fund shall be reimbursed in a back end manner to the institutional agency i.e. OSCMF **basin on its actual quantity of Urea sale** to retailers (PACS/ LAMPCS/ Pvt. Retailers) during the period from **1st of April to 30th of September** of every year.

Specific role of the different stake holders is described as follows.

- i. The Department of Agriculture & Farmers' Empowerment shall sanction and release the fund from the budget provision of each year as per the proposal submitted by the Directorate of Agriculture & Food Production (Odisha) basing on the claim of OSCMF.
- ii. The Director of Agriculture & Food Production, Odisha shall be the Nodal Officer and shall monitor the scheme at State level and ensure drawal of the grant and release the same to the procurement agency i.e. OSCMF after proper verification of their claim.
- iii. The Managing Director/ Chief Executive of the procurement agency i.e. OSCMF shall:-
 1. submit the annual action plan indicating the product wise, district wise and month wise Urea prepositioning program to the Director of Agriculture & Food Production (O) **latest by 20th January of every year** which will be finalized by the DA & FP (O) considering the District wise requirement, availability of rake point facility, consumption pattern etc;
 2. responsible for prepositioning of Urea and distribution of the same to the farmers through their retail network including PACS & LAMPCS;
 3. ensure real time entry or acknowledgement of all receipt of Urea from the manufacturers and sale to the retailers (PACS/LAMPCS/Dealers) through IFMS portal (<https://ifms.dbtfert.nic.in>) of Govt. of India or any other portal to be declared by the Govt. of India or by the State in future;
 4. maintain the details of expenditure on vehicles for transportation of fertilizers (Urea);
 5. submit the claim for the grant against the actual quantity of Urea prepositioned to the Director of Agriculture & Food Production, Odisha.

5. Source Of Funding For The Scheme And Fund Flow Mechanism

- i. Source of funding is 100 % State funding as per budgetary allocation made under State sector scheme.
- ii. The Managing Director OSCMF shall submit their demand/ claim for the grant against the actual quantity of Urea prepositioned to the Director of Agriculture & Food Production, Odisha **latest by 31st October**. The claim shall be accompanied with the detail statement on District wise, month wise & manufacturer wise quantity of Urea prepositioning along with the date wise, godown wise, month wise and manufacturer wise Urea prepositioning statement of the Districts duly verified and signed by the respective Chief District Agriculture Officers. The MD, OSCMF/ OAIC shall also submit a certificate on Urea propositioning along with the claim.

- iii. Basing on the claim, as mentioned above, after proper scrutiny, the Director of Agriculture & Food Production, Odisha shall submit the proposal to the Department of Agriculture & Farmers' Empowerment for sanction and release of the fund.
- iv. As soon as the fund get sanctioned the Director of Agriculture & Food Production, Odisha shall release the funds to the institutional agency i.e. OSCMF through their declared/ mentioned bank account.

6. Intended Scheme Outcome

The institutional agency i.e. OSCMF will be able to preposition Urea during the Kharif Season for making them available to the farmers as per demand by which availability of Urea fertilizers to all farmers of the State at right time and right price can be ensured which in turn curb the black marketing of Urea.

7. Monitoring & Evaluation Mechanism

The Director of Agriculture & Food Production, Odisha shall be the Nodal Officer in respect of the scheme and shall monitor the proper utilization of the fund and overall achievement under the scheme. Dy. Director of Agriculture (Fertilizer) will remain overall in charge of the scheme for Directorate.

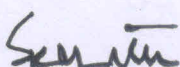
Managing Director, OSCMF will be the Nodal Officers for OSCMF and will monitor the prepositioning i.e. flow of Urea in to the preposition account and distribution of the same to the farmers through their retail network including PACS/ LAMPCS. The MD, OSCMF will submit the product wise; district wise report on these aspects to the Director of Agriculture and Food Production, Odisha on weekly & monthly interval. The audit of the stock flow & sale will be audited by the internal audit system of the organization regularly.

The OSCMF at its District level shall also intimate the progress of the prepositioning to the Chief District Agriculture Officer on weekly basis. The Chief District Agriculture Officers of respective District shall also regularly monitor & verify the procurement of Urea by the OSCMF from the manufacturers and its prepositioning as well as sale to PACS/ LAMPCS/ Dealers within the District. The CDAO concerned shall also monitor the proper acknowledgement of the prepositioned Urea through IFMS portal (<https://ifms.dbtfert.nic.in>) of the Gol or any other portal to be declared by the Govt. of India or by the State in future.

An independent evaluation of the scheme to be carried out by a third party.

8. Forms For Application By The Beneficiaries (If Any) To Be Annexed:

Not Applicable


Principal Secretary to Government,
Department of Agriculture and Farmers'
Empowerment, Odisha

Memo No. 16060 /Agril., Dated the 18.04.2024

Copy submitted to the Principal Secretary to Govt. in A & FE Department, Odisha/
Principal Secretary to Govt. in Department of Cooperation, Odisha/ Principal Secretary to
Govt. in Finance Department, Odisha for favour of kind information.

Director of Agriculture &
Food Production, Odisha

Memo No. 16061 /Agril., Dated the 18.04.2024

Copy forwarded to the Managing Director, OSCMF/ Managing Director, OAIC/
Registrar of Cooperative Societies, Odisha for information and necessary action.

Director of Agriculture &
Food Production, Odisha

Memo No. 16062 /Agril., Dated the 18.04.2024

Copy forwarded to the Collector and District Magistrates (All) for information and
necessary action.

Director of Agriculture &
Food Production, Odisha

Memo No. 16063 /Agril., Dated the 18.04.2024

Copy forwarded to the FA-cum-Special Secretary to Govt. in A & FE Deptt., Odisha
for information and necessary action.

Director of Agriculture &
Food Production, Odisha

Memo No. 16064 /Agril., Dated the 18.04.2024

Copy forwarded to FA-cum-CAO / JDA (Plan & CC) of this Directorate for information
and necessary action.

Director of Agriculture &
Food Production, Odisha

Memo No. 16065 /Agril., Dated the 18.04.2024

Copy forwarded to the PS to the Hon'ble Minister of Agriculture and Farmers' Empowerment, Odisha for favour of kind information of the Hon'ble Minister of Agriculture and Farmers' Empowerment, Odisha.



Director of Agriculture &
Food Production, Odisha

Memo No. 16066 /Agril., Dated the 18.04.2024

Copy along with enclosures forwarded to the CDAOs (All) for information and necessary action.



Director of Agriculture &
Food Production, Odisha

8