



ABSTRACT

Co-operation - Procurement of copra under Price Support Scheme during 2016 by Tamil Nadu Co-operative Marketing Federation Limited - Permission granted - Orders - Issued.

Co-operation, Food And Consumer Protection (CM.I) Department

G.O.(Ms) No.56

Dated: 10.06.2016

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Read:

1. G.O.(Ms) No.134, Cooperation, Food and Consumer Protection Department, dated 14.07.2005.
2. G.O.(Ms) No.99, Cooperation, Food and Consumer Protection Department, dated 11.07.2006.
3. G.O.(Ms) No.2, Cooperation, Food and Consumer Protection Department, dated 04.01.2007.
4. G.O.(Ms) No.27, Cooperation, Food and Consumer Protection Department, dated 18.02.2008.
5. G.O.(Ms) No.32, Cooperation, Food and Consumer Protection Department, dated 24.03.2009.
6. G.O.(Ms) No.41, Cooperation, Food and Consumer Protection Department, dated 12.04.2010.
7. G.O.(Ms) No.61, Cooperation, Food and Consumer Protection Department, dated 06.07.2011.
8. G.O.(Ms) No.20, Cooperation, Food and Consumer Protection Department, dated 16.02.2012.
9. G.O.(Ms) No.76, Cooperation, Food and Consumer Protection Department, dated 24.05.2013.
10. Government of India, Ministry of Agriculture, Department of Agriculture & Cooperation, New Delhi Guidelines, dated May 2014.
11. From the Registrar of Cooperative Societies Letter Rc.No.14255/2016/CM1, dated 17.03.2016 addressed to the Agriculture Production Commissioner and Secretary to Government and Agriculture Department .
12. From the Registrar of Cooperative Societies Letter Rc.No.14255/2016/CM1, dated 03.06.2016.

ORDER:

In the reference first read above, the Government had permitted the Tamil Nadu Cooperative Marketing Federation Limited, a State agency, to undertake procurement of copra under the Price Support Scheme-2005 and issued detailed guidelines. Necessary amendments were issued to the guidelines in the references second and third read above for the proper implementation of the Scheme.

/p.t.o./

2. Likewise, in the references 2nd to 8th cited, the Government had permitted the TANFED to procure copra at Minimum Support Price (MSP) during the years 2006 to 2013 under the Price Support Scheme of Government of India.

3. During the year 2014 and 2015, procurement of copra was not taken up primarily because market prices were ruling higher than the Minimum Support Price (MSP).

4. Eventhough the Price Support Scheme (PSS) is in existence for more than 3 decades, the Government of India had not issued guidelines to regulate the PSS operation. Therefore, the Government of India (Department of Agriculture) have prepared and issued comprehensive guidelines in May 2014 for effective implementation of the Price Support Scheme to ensure that the farmers are benefitted and to put in place a system of efficient marketing. These Guidelines, among other things, have stipulated as follows :-

(i) For implementing Price Support Scheme (PSS), the State Government shall notify the expected production, sowing area, average yield, peak arrival/harvesting period for the crop for which MSP is declared. The PSS operations shall commence only after such notification is issued and the copies of the same have to be sent to the Department of Agriculture and Cooperation, Government of India at least 30 days prior to its implementation.

(ii) While procuring copra, the State Government shall exempt all State duties in respect to PSS operations in the interest of its farmers and to reduce the procurement cost.

(iii) State Government should submit a proposal for implementing Price Support Scheme to the Government of India (Department of Agriculture) with supporting documents such as Notification issued by the State Government regarding crop area and production, undertaking regarding exemption from State duties/taxes, etc.

(iv) The Government of India have appointed National Agriculture Cooperative Marketing Federation Ltd. (NAFED) as Central Agency for procurement of copra. Guidelines also stipulate for appointing a State Agency for carrying out Price Support Scheme (PSS) operations.

(v) Based on the proposal from the State Government, the Government of India will issue clearance for implementing Price Support Scheme. On receiving clearance from Government of India, NAFED and State agency will enter into an agreement for copra procurement under Price Support Scheme. The State agency will in turn enter into a Memorandum of Understanding (MoU) with Primary Societies for opening copra procurement centres.

(vi) Service charges at 2% of the value of copra procured will be paid to the procuring agency at State level (1% for State Agency and 1% for Primary Societies).

(vii) State Government shall Notify the relevant land documents which are required to be produced before the procuring agencies to prove the genuineness of the farmers.

(viii) Payments to the farmers shall be made by ECS/ cheques only against their sale within three days from actual delivery of copra to the procuring agency. Procuring agency shall

ensure that the payments are made directly into the bank account of the farmers clearly mentioning his/her bank account details and name on the account payee cheque and/or paying it by using NEFT/RTGS facilities online. Besides, the bank account of one individual farmer shall not be used for making payment of other farmers.

(ix) Working Capital for the State agency is to be arranged by the State Government.

5. For the current year (2016), the Government of India have fixed the Minimum Support Price (MSP) for milling copra at Rs.59.50 per kg and for ball copra Rs.62.40 per kg.

6. In the reference twelfth read above, the Registrar of Cooperative Societies has submitted a proposal to the Government for procurement of copra under Price Support Scheme (PSS) and requested orders of the Government.

7. As the current price of milling copra in open market is lower as compared to the Minimum Support Price (MSP), the Government for the benefit of farmers have decided to procure copra at the Minimum Support Price (MSP) at Rs.59.50 per kg for milling copra and at Rs.62.40 per kg for ball copra and accordingly issue orders for the procurement of copra under Price Support Scheme (PSS). The Government further order that –

- i. Agriculture Department shall issue a Notification regarding expected production, sowing area, average yield, peak arrival/harvesting period for Copra and willingness to implement PSS ;
- ii. The copra procured by NAFED under Price Support Scheme (PSS) shall be exempted from levy of VAT (5%) and Agricultural Produce Market Committee (APMC) Cess (1%) . In this regard, necessary Notification / Orders will be issued by Commercial Taxes and Registration Department and Agriculture Department respectively ;
- iii. Necessary proposal for implementing Price Support Scheme (PSS) will be submitted by the Agriculture Department to Government of India;
- iv. Tamil Nadu Co-operative Marketing Federation Limited (TANFED) will act as a State agency for procurement of copra and on receiving clearance from the Government of India, Tamil Nadu Co-operative Marketing Federation (TANFED) and National Agricultural Co-operative Marketing Federation of India Limited (NAFED), the Central agency will enter into an agreement followed by Memorandum of Understanding (MoU) between TANFED and Primary Societies for opening Procurement Centres;
- v. Adequate number of procurement centres will be opened in the major coconut growing districts, namely, Coimbatore, Tiruppur, Erode, Thanjavur, Dindigul, Kanniyakumari, Vellore, Thoothukudi, Salem, Theni, Ramanathapuram, Tirunelveli, Dharmapuri, Krishnagiri, Sivagangai, Madurai, Nagapattinam, Namakkal, Pudukkottai and Tiruvarur based on the proposal from the respective District Collectors;
- vi. Payment to Farmers shall be made directly to their bank accounts through ECS/Account Payee Cheque ;

- vii. Government have already issued detailed guidelines for procurement of copra vide G.O.(Ms) No.134, Cooperation, Food and Consumer Protection Department, dated 14.07.2005 and issued certain amendments from time to time. In view of the guidelines issued by the Government of India, the Government orders certain amendments to the existing guidelines as detailed in Annexure to this order.
- viii. Copra shall be procured only from genuine farmers.
- ix. The Direct Procurement Centres shall commence with effect from 15.06.2016;
- x. The Tamil Nadu State Apex Cooperative Bank shall extend necessary credit facility towards initial Working Capital/Revolving Fund to TANFED;
- xi. The Registrar of Cooperative Societies is instructed to issue a circular incorporating the amendments to the guidelines as annexed to this order.

8. This order issues with the concurrence of the Agriculture / Commercial Taxes & Registration / Finance Departments vide its U.O.No.10800/H2/2016, dated 10.06.2016, U.O.No.4045/B2/2016, dated 10.06.2016 and U.O.No.1737/ACS(F)/P/16 dated 10.06.2016 respectively.

(BY ORDER OF THE GOVERNOR)

**PRADEEP YADAV
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Registrar of Cooperative Societies, Chennai-10.

The Additional Registrar / Managing Director,

Tamil Nadu Cooperative Marketing Federation Ltd., Chennai-18.

The Director of Agriculture, Chepauk, Chennai-5.

The Director of Horticulture & Plantation Crops, Chennai-5.

The Commissioner of Agriculture Marketing and Agriculture
Business Department, Chennai-32.

All District Collectors.

Copy to:

The Hon'ble Chief Minister's Office, Secretariat, Chennai-9.

The Special P.A. to Hon'ble Minister for Finance & P&AR, Secretariat, Chennai-9.

The Special P.A. to Hon'ble Minister for Commercial Taxes, Secretariat, Chennai-9.

The Special P.A. to Hon'ble Minister for Agriculture, Secretariat, Chennai-9.

The Special P.A. to Hon'ble Minister for Co-operation, Secretariat, Chennai-9.

The Finance Department, Secretariat, Chennai-9.

The Commercial Taxes and Registration Department, Secretariat, Chennai-9.

The Agriculture Department, Chennai-9.

The Public (S.C) Department, Chennai-9.

The Private Secretary to the Chief Secretary to Government, Secretariat, Chennai-9.

The Prl.P.S. to the Principal Secretary to Government, Cooperation, Food and Consumer
Protection Department, Secretariat, Chennai-9.

SF/SC.

//FORWARDED / BY ORDER//

SECTION OFFICER

COOPERATION, FOOD AND CONSUMER PROTECTION (CM.I) DEPARTMENT

ANNEXURE

Amendment to the Guidelines for procurement of copra issued in G.O.(Ms) No.134 Cooperation Food and Consumer Protection (CM1) Department dated 14.07.2005 and subsequent amendments issued in G.O.(Ms) No.99 Cooperation Food and Consumer Protection (CM1) Department, dated 11.07.2006 and G.O.(Ms) No.2 Cooperation Food and Consumer Protection (CM1) Department dated 04.01.2007.

Existing Guideline Para No.	Amendment
<p><u>Para No.2:</u> The procurement of copra in the district shall be done through Cooperative Marketing societies in the area involving the representatives of NAFED and TANFED. The representatives of TANFED and the Cooperative Marketing Societies are overall responsible for the procurement of copra in the procurement centre. The village Administrative Officer concerned shall be responsible for the genuineness of the information regarding the name of the farmer who brings the produce to the centre, his/her address, total land extent, Survey Number, Patta Number and the extent under coconut tree cultivation. The Regional Manager, TANFED shall obtain from the Assistant Director, Agriculture Department, the details of average number of coconut trees per acre and the average yield of nuts per tree in the area for the purpose of working out the quantum of nuts to be procured from the coconut growers. An Agricultural Officer deputed by the Commissioner of Agricultural Marketing and Agricultural Business will assist the Marketing Societies in grading and testing the Copra according to their quality.</p>	<p>The procurement of copra in the district shall be done through Cooperative Marketing Societies and <u>Primary Agricultural Cooperative Credit Societies</u> in the area involving the representatives of NAFED and TANFED. The representatives of TANFED and the Cooperative Marketing Societies and <u>Primary Agricultural Cooperative Credit Societies</u> are overall responsible for the procurement of copra in the procurement centre. The village Administrative Officer concerned shall be responsible for the genuineness of the information regarding the name of the farmer who brings the produce to the centre, his/her address, total land extent, Survey Number, Patta Number and the extent under coconut tree cultivation. The Regional Manager, TANFED shall obtain from the Assistant Director, Agriculture Department, the details of average number of coconut trees per acre and the average yield of nuts per tree in the area for the purpose of working out the quantum of nuts to be procured from the coconut growers. An Agricultural Officer deputed by the Commissioner of Agricultural Marketing and Agricultural Business will assist the Marketing Societies/ <u>Primary Agricultural Cooperative Credit Society</u> in grading and testing the Copra according to their quality.</p>

Existing Guideline Para No.	Amendment
<p><u>Para No.3:</u> The Commissioner of Agricultural Marketing and Agrl Business Department will issue instructions to the Chief Chemist, Agmark Laboratory to collect random samples during the procurement period and give the report on quality to centre-in-charge and also to <u>the Special Officer</u>, Tamil Nadu Cooperative Marketing Federation, Managing Director of Procuring Cooperative Society. Any deviation found with reference to the specifications fixed will be viewed seriously and responsibility will be fixed on the Agricultural Officer who is entrusted with the task of grading and testing the quality of the Copra.</p>	<p>The Commissioner of Agricultural Marketing and Agrl Business Department will issue instructions to the Chief Chemist, Agmark Laboratory to collect random samples during the procurement period and give the report on quality to centre-in-charge and also to the <u>Managing Director</u>, Tamil Nadu Cooperative Marketing Federation, <u>Managing Director of Procuring Cooperative Society</u>. Any deviation found with reference to the specifications fixed will be viewed seriously and responsibility will be fixed on the Agricultural Officer who is entrusted with the task of grading and testing the quality of the Copra.</p>
<p><u>Para No.8:</u> Prior to the commencement of procurement TANFED should enter into an agreement with NAFED as well as with the Cooperative Marketing Society</p>	<p>Prior to the commencement of procurement, TANFED should enter into an agreement with NAFED as well as with the Cooperative Marketing Society and Primary Agricultural Cooperative Credit Societies <u>with the clear provisions of procurement modalities and corrective measures for disputes, if any.</u></p>
<p><u>Para No.9:</u> Procurement should be made from the farmers only and not from middlemen. Anyone of the adult family members identified in the Family card may be authorized on behalf of the farmer to bring the produce to the procurement centre. However payment for procurement will be made in the name of farmer only by account payee Cheque.</p>	<p>Procurement should be made from farmers only and not from middlemen. Anyone of adult family members identified in the family cards may be authorized on behalf of the farmer to bring the produce to the procurement centre. However, the payments due to the farmers on account of procurement should be made <u>within three days through ECS or Account Payee Cheque only.</u> <u>Further only one payment will be made in a day in the account of an individual farmer and the said payment shall not exceed to the total limit of one day purchase</u></p>

Existing Guideline Para No.	Amendment
<p><u>Para No.10:</u> An undertaking should be obtained from the farmer along with the relevant Adangal extract by Co-operative Marketing Societies to the effect that the copra brought to sale by them is only from their own land and not obtained from others and that they are liable for prosecution for any violation of undertaking signed by the farmers.</p>	<p>An undertaking should be obtained from the farmer along with the relevant Adangal, extract by Cooperative Marketing Societies and <u>Primary Agricultural Cooperative Credit Societies</u> to the effect that the Copra brought to sale by them is only from their own land and not obtained from others and that they are liable for prosecution for any violation of undertaking signed by the farmers.</p>
<p><u>Para No.11:</u> The Marketing Societies should maintain a register called Copra Procurement Register and this Register should contain all details such as name of farmers, extent of land owned/land on lease, area of coconut tree cultivated, quantity of copra procured, variety, price paid, etc. This Procurement Register should be maintained and closed after every day and duly signed by the procurement staff and Secretary and countersigned by the <u>Special Officer</u> of Cooperative Marketing Societies and the representatives of Tamil Nadu Cooperative Marketing Federation.</p>	<p>The Cooperative Marketing Societies <u>and Primary Agricultural Cooperative Credit Societies</u> should maintain a Register called Copra Procurement Register and this Register should contain all details such as name of farmers, extent of land owned/land on lease, area of coconut tree cultivated, quantity of copra procured, variety, price paid, etc. This procurement register should be maintained and closed after every day and duly signed by the procurement staff and Secretary and countersigned by the <u>Managing Director</u> of the Cooperative Marketing Societies and the representatives of Tamil Nadu Cooperative Marketing Federation, <u>Cooperative Sub Registrar authorized by the Joint Registrar.</u></p>
<p><u>Para No.12:</u> TANFED would issue an office order in detail, fixing responsibility on the staff who are entrusted with the procurement of Copra under PSS 2005 and get their signature for receipt of the office order.</p>	<p>TANFED would issue an office order in detail, fixing responsibility on the staff who are entrusted with procurement of Copra under <u>PSS 2016</u> and get their signature for receipt of the office order.</p>

Existing Guideline Para No.	Amendment
<p><u>Para No.13:</u> Based on the acreage yield specifications of copra by the department of Agriculture, a ceiling has to be prescribed to the farmer in respect of annual production. One fourth of the actual production within the annual ceiling prescribed by the Department of Agriculture alone should be procured from the farmers and that there should be a minimum one and half months interval between one procurement to another.</p>	<p>Based on the acreage yield specifications of copra by the Department of Agriculture, a ceiling has to be prescribed to the farmer in respect of annual production. One fourth of the actual production within the annual ceiling prescribed by the Department of Agriculture alone should be procured from the farmers <u>and purchase will be limited to only 50 bags of 50 Kg each in one day.</u></p> <p><u>Purchase will be made from only those farmers who come from the area of operation of that particular centre as notified.</u></p> <p><u>The Procurement period shall be restricted to 180 days for Season 2016 as notified by the Department of Agriculture & Cooperation, Government of India.</u></p> <p><u>The Procurement Centres shall prominently display the PSS, operating hours and days, period of procurement, mode and time of payment to farmers.</u></p>
<p><u>Para No.18:</u> Information furnished by farmer members and certified by Village Administrative Officer is only to be considered for registration in the Cooperative Marketing Society for the purpose of procurement of copra.</p>	<p>Information furnished by farmer members and a certificate issued by Village Administrative Officer concerned duly counter signed by a competent official of the Agriculture Department along with the copy of adangal should be insisted for ascertaining genuineness of the farmers.</p>
<p><u>Para No.22:</u> The registers as prescribed by the Registrar has to be properly maintained at the Regional Office.</p>	<p>The Registers as prescribed by the Registrar has to be properly maintained at the Regional Office <u>of Tamilnadu Cooperative Marketing Federation and Cooperative Marketing Societies and Primary Agricultural Cooperative Credit Societies concerned.</u></p>

Existing Guideline Para No.	Amendment
<p><u>Para No.23:</u> The Bill of Cooperative Marketing Society alone should be used for procurement. In the Bill, the farmers Identity Card number and the TNGST No. should be noted.</p>	<p>The Bill of Cooperative Marketing Societies and <u>Primary Agricultural Cooperative Credit Societies</u> alone should be used for procurement. In the Bill, the farmer's Identity Card number and the TNGST number should be noted.</p>
<p><u>Para No.24:</u> Quality gunnies alone should be used. The gunnies brought by the farmers should not be used.</p>	<p><u>State Level Agency i.e. TANFED and Primary Cooperative Societies will arrange quality gunnies meant for the procurement of Copra and the gunnies brought by the farmers shall not be used.</u></p>
<p><u>Para No.29:</u> Claims have to be obtained from CMS and submitted to NAFED in time. In case of additional expenditure if any to be incurred, the written permission of the NAFED representative has to be obtained.</p>	<p>Claims have to be obtained from Cooperative Marketing Societies and <u>Primary Agricultural Cooperative Credit Societies</u> and submitted to NAFED in time. In case of additional expenditure, if any, to be incurred, the written permission of the NAFED representative has to be obtained</p>
<p><u>New Para included as Para No:32</u></p>	<p><u>Exemption from Mandi Tax / Levy under Price Support Scheme (PSS) 2016</u> <u>The copra procured under this scheme will be exempted from payment of Agricultural Produce Market Committee CESS and VAT.</u></p>

PRADEEP YADAV
PRINCIPAL SECRETARY TO GOVERNMENT.

//FORWARDED BY ORDER//

SECTION OFFICER