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Guidelines for
Price Support Scheme (PSS)
(Oilseeds, Pulses & Cotton)

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE
DEPARTMENT OF AGRICULUTRE & COOPERATION
KRISHI BHAWAN, NEW DELHI
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CONTENT

CHAPTER – I

INTRODUCTION

Assurance of a remunerative and stable price environment for growers/farmers is very important for increasing agricultural production and productivity. The market price for agricultural produce many times tends to be unstable and volatile which may result in undue losses to the growers and discourage adoption of the modern technology and required inputs.

The Government's price policy for agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production and to safeguard the interest of consumers by making available supplies at reasonable prices with low cost of intermediation. The price policy also seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy.

Towards this end, the Government announces, Minimum Support Prices (MSP) for 25 major agricultural commodities each year in both the Crop seasons after taking into account the recommendations of the Commission for Agricultural Costs and Prices (CACP).

CACP recommends MSP for twenty two (22) crops and Fair & Remunerative Price (FRP) for sugarcane. Apart from Sugarcane for which FRP is declared by the Department of Food &Public Distribution, twenty two crops covered under MSP are Paddy, Jowar, Bajra, Maize, Ragi, Arhar, Moong, Urad, Groundnut-in-shell, Soyabean, Sunflower, Seasamum, Nigerseed, Cotton, Wheat, Barley, Gram, Masur (lentil), Rapeseed/Mustard seed, Safflower, Jute and Copra.

In addition, MSP for Toria and De-Husked coconut is fixed by the Department on the basis of MSP's of Rapeseed/Mustard seed and Copra respectively.

Besides, announcement of MSP, the Government also organizes procurement operations of these agricultural commodities through various public and cooperative agencies such as Food Corporation of India (FCI), Cotton Corporation of India (CCI), Jute Corporation of India (JCI), Central Warehousing Corporation (CWC), National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), National Consumer Cooperative Federation of India Ltd. (NCCF), and Small Farmers Agri. Business Consortium (SFAC). Besides, State Governments also appoint state agencies to undertake PSS operations.

While deciding the MSP for various agricultural commodities, the recommendations of CACP, the views of Central Ministries and State Governments and such other relevant factors which are important in the opinion of the Government are considered. The CACP, while recommending the Minimum Support Price keeps in view (i) the need to provide incentives to the producers for adopting improved technology and for developing a production pattern broadly in the light of national requirements (ii) the need to ensure rational utilization of land, water and other production resources and (iii) the likely effect of the price policy on the rest of the economy, particularly, on the cost of living, level of wages, industrial cost structure etc.

NAFED, Central Warehousing Corporation (CWC) National Consumer Cooperative Federation of India Ltd. (NCCF), Small Farmers Agri. Business Consortium (SFAC) are the central agencies for procurement of oilseeds & pulses. However, NAFED is also an additional central agency for procurement of cotton, in addition to Cotton Corporation of India (CCI), under the DAC.

The cost of cultivation/production includes all paid out costs, such as, those incurred on account of hired human labour, bullock labour/machine labour (both hired and owned) and rent paid for leased in land besides cash and kind expenses on use of material inputs like seeds, fertilizers, manures, irrigation charges including cost of diesel/electricity for operation of pump sets, etc. Besides, cost of production also includes imputed value of wages of family labour and rent for owned land.

The cost also covers depreciation of farm machinery and buildings, transportation and insurance charges. As such, the cost of production covers not only actual expenses in cash and kind but also imputed value of owned assets, land and family labour.

NECESSITY FOR FRAMING OF PSS GUIDELINES:

Although the Price Support Scheme is in existence for more than 3 decades, there are no guidelines at present to regulate the PSS operation. Experience in implementing the PSS over the years has shown the necessity to prepare comprehensive guidelines for effective implementation of the scheme to ensure that the farmers are benefited and to put in place a system of efficient marketing, development of non-traditional/new markets, processing of agricultural produce for value addition and the sales through network of retail points.

CHAPTER-II

ROLE AND RESPONSIBILITY OF GOVERNMENT/AGENCIES IN PSS OPERATIONS

(A) Department of Agriculture & Cooperation (DAC):

(i) ***Policy matters***: The DAC shall be responsible for any policy matters relating to PSS operations for oilseed, pulses, cotton, any other commodities which may be assigned and/or any other matter for which the opinion is sought from time to time.

(ii) ***Nomination /deletion of central agencies***: The DAC shall be responsible for nomination of other central agencies and/ or deletion of any agency from the list of central agency.

(iii) ***Declaration of bonus, if any****:* While announcing MSP, the DAC may also announce bonus on various crops, if any, from time to time.

(iv) ***Declaration of Minimum Support Price (MSP):***The Department of Agriculture & Cooperation shall declare the Minimum Support Price for notified agricultural commodities every year, well before both the cropping/sowing season so that the farmers may take a considered view whether the said particular crop will be a profitable venture for them or not. Further, the DAC shall have the right to decide the duration of procurement period, state wise, for the crops for which MSP is declared and procured by its central agencies

(v) ***MSP information***: All the central nodal agencies shall be informed by DAC about the MSP for notified crops in every crop season, well in advance.

(vi) ***Duration of the Scheme***: The DAC shall be responsible to decide the duration of the scheme, crop-wise, state-wise, depending upon the seasonality/climatic/geographical/locational advantages and disadvantages. The duration of PSS operations for a particular crop and season shall be for a maximum period of 90 days. However, in exceptional cases, this may be increased with the prior approval of DAC.

(vii) ***Fair Average Quality (FAQ) norms***: Fair Average Quality (FAQ) norms shall be decided/ approved by the DAC for each crop. While, deciding the FAQ norms, it shall be ensured that only those parameters which are variable would form the specification of FAQ norms. However, deviation from FAQ norms may be allowed only in exceptional cases and with the prior approval of DAC only. Further, in order to be sure that the proposed stock is of FAQ norms or not, the procurement agency may appoint a third party quality certification agency at its own cost.

(viii) PSS awareness/ publicity: The DAC shall make adequate publicity of PSS operations like MSP for the crops, name and address of procurement centers, procurement period, documents required, contact details of authorized person of central/state/primary procuring agencies through an appropriate Management Information System (MIS) for dissemination of information to all the stake holders.

(ix) ***Working capital arrangement***: The DAC shall provide working capital to its central agencies through Government guarantee, letter of comforts etc. in the nature of revolving fund and the same shall be available to the central agencies once the stock is hypothecated in their name.

(x) ***Vetting of accounts and settlement of claims of central agencies***: The DAC shall examine the audited accounts of its agencies within a month of receipt of the same and forward it to the Department of Expenditure for final settlement of claims.

(xi) ***Reimbursement of loss***: The DAC shall be responsible for reimbursement of the losses to its central agencies, if any, up to 90% of the estimated loss as “on account payment” for which adequate budgetary provisions shall be made. The remaining 10% loss will be reimbursed to the central agencies after vetting of the accounts by the competent authority.

(xii) ***Incentives to the central agencies***: The DAC shall also provide **2%** incentive to the central agencies on the net profit earned for disposal of PSS stocks. Further, the central agencies may also involve the state agencies for disposal of PSS stocks and may share the said incentive with the state agencies, as per the terms & conditions mutually agreed thereon.

(B) <u>State/UT Governments</u>

(i) ***Notification of agricultural crops*****:** All the State/UT Governments shall be required to notify the expected production, sowing area, average yield, peak arrival/harvesting period for all those crops for which MSP is declared and the State Government is willing to implement the Price Support Scheme. The PSS operations shall be taken up in the respective State/UT Governments only after such notification is issued and copies of the same are sent to the DAC at least 30 days prior to its implementation. All the states/UT Govt. willing to implement the PSS operation shall have to furnish all the authenticated details to the DAC, **as per the format annexed herewith**.

(ii) ***Exemption from mandi tax/levy etc.:*** State/UT Govt. shall exempt all state duties in respect to PSS operations in the interest of its farmers and reduce the procurement cost. Further, these taxes, if charged by the State/UT Government, the same shall not be admissible/reimbursable by the DAC to the State/UT Government and state/procuring agency.

(iii) ***Documents required***: The State/UT Governments shall also notify the relevant land revenue documents which are required to be produced before the procuring agencies to prove the genuineness of the farmers.

(iv) ***PSS awareness/ publicity*****:** The State/UT Governments shall make adequate publicity of PSS operations like MSP for the crops, name and address of procurement centers, procurement period, documents required, contact details of authorized person of central/state/primary procuring agencies. The costs of publicity related activities shall be borne by the respective State/UT Government.

(v) ***Demarcation of area of operation between the central agencies***: The State/UT Governments shall also decide the area of the operation of various central agencies for procurement of agricultural commodities in the State/UT, in consultation with the central agencies so as to provide a level playing opportunity to all the procuring agencies and to ensure that the PSS's operations are carried out even in the remote area. Further, while deciding the area of operation, the State/UT Government shall ensure that there shall not be any duplication of work and/or overlapping of PSS operations by more than one central agency in the same area. In case of any disagreements/disputes relating to area of operation between the Central agencies, the matter will be decided by DAC.

(vi) ***Logistic arrangements****:* The State/UT Government shall make all necessary arrangements like booking of CWC/SWC godowns, identification of procurement centers, arrangement of gunny bags, GPRS enabled transportation facilities, weighing machine, moisture/foreign matters/oil content testing machines etc. in consultation with central/state agencies. These costs shall be reimbursed by DAC as per the norms/expenditure approved under PSS Scheme. Further, these preparatory costs shall be reimbursed to the concerned agencies only when the PSS has been implemented for the specific crop during the specific period.

(vii) ***Working capital arrangements for state agencies***: The State/UT Governments shall ensure adequate liquidity of the State/procuring agency so as to pay off the dues of farmers for their produce, within 3 days from the receipt of their produce. The cost of such investment of State/UT Government shall be duly reimbursed by the DAC up to 10 days at the market rate of interest or actual cost, whichever is less.

(viii) ***Creation of Revolving Fund for PSS operation***: The State /UT Govt. shall invariably create a revolving/corpus fund, so that the farmers of the State/UT are not deprived from their timely payment for want of funds from DAC/central agencies.

(ix) ***Establishment of godowns, processing mills in the procuring areas***: The State/UT Government shall encourage/launch massive programmes for establishment of godowns, processing mills through public private partnership mode etc. in the rural areas in a time bound manner, so that the farmers may be able to avail adequate storage, value addition facilities for their produce, at their farm gate.

(x) ***Utilization of PSS stocks in various Government schemes***: The State/UT Government shall take steps to utilize the PSS stocks in their various schemes/programmes like ICDP, Mid-day meal, Antyodaya, Annapurna, PDS, food security at the ex-godown cost of the central agencies. Such State/UT Governments shall be provided 2% discount on the prevailing market rate of the said specific commodity, decided by the central agency.

(C) <u>Central Nodal Agencies</u>

(i) ***Appointment of State/primary agencies and signing of MOU***: After the announcement of MSP, central agencies shall appoint their state/primary agencies in consultation with respective State/UT Governments by entering into an MOU <u>within 15 days</u> with clear provisions of procurement modalities and corrective measures for disputes if any.

(ii) ***Identification of procurement centers***: Central agency shall identify the purchase centers in consultation with state/UT. Govt., state agency & primary procuring agencies. However, purchase centers shall be opened preferably at the CWC/SWC godowns and close to the processing mills to minimize the transportation cost.

(iii) ***PSS awareness/publicity*:** The central agencies shall also make adequate publicity of PSS operations like MSP for the crops, name and address of procurement centers, procurement period, documents required, contact details of authorized person of central/state/primary procuring agencies and in conjunction with State Agencies.

(iv) ***Technical support***: Central agencies shall provide all technical support to its State and primary agencies relating to the procurement operation. In case of any further clarifications, the matter may be referred to DAC and its decision shall be binding on all concerned.

(v) ***Financial support***: Central agencies shall be responsible to release 80% of the ex godown cost to the state agencies within 3 days from receiving the stock/hypothecation in their name.

(vi) ***Disposal of procured stock***: Central agencies shall be fully responsible to dispose the PSS stock within the stipulated time and mode of disposal as decided by the DAC from time to time.

(vii) ***Reimbursement of losses, if any***: The central agencies shall submit the final audited accounts of PSS operations to DAC within three months from the disposal of PSS stocks for final settlement of claims.

(D) State/Primary Agencies/FPO's/Panchayati Raj Institutions

(i) ***Appointment of primary agencies and signing of MOU***: Immediately after the announcement of MSP, state agency shall appoint their primary agencies by entering into MOU with clear provisions of procurement modalities and corrective measures for disputes if any.

(ii) ***PSS awareness/ publicity*****:** The state/primary agency shall also make adequate publicity of PSS operations like MSP for the crops name and address of procurement centers, procurement period, documents required, contact details of authorized person of central/state/primary procuring agencies and the cost of the same shall be borne by State Government.

(iii) ***Working capital arrangement*****:** The state/primary agency shall also make adequate working capital arrangement, through State/UT Govt. invest its own fund, or borrow the funds from market etc. for a maximum period of 10 days. The state/primary agency whomsoever has invested the fund and/or borrowed the funds from market shall be eligible for reimbursement at the market rate of interest up to 10 days.

(iv) ***Payment to the farmers***: The state/primary agency shall be responsible to make the payments to the farmers within three days from the receipt of their produce.

(v) ***Custody/hypothecation of stocks*****:** The state agency shall be responsible to take the custody of the stocks and get it hypothecated in the name of central agency so as to get the funds from central agency.

(vi) ***Verification of documents/quality of stock***: The state/primary agency shall be responsible to verify the documents of the farmers which prove his genuineness. Further, they shall also be responsible to purchase the stock from farmers strictly as per the FAQ norms, as notified by Central Government from time to time. If at any stage, it is found that there is any deviation from FAQ norms, loss shall be borne by the concerned agencies.

CHAPTER III

PROCUREMENT OPERATIONS

(i) ***Mode of purchase*:** The stocks shall be purchased by Cooperative Societies, Farmers' Producer's Organizations (FPO), Farmers' Producer's Companies, Panchayati Raj Institutions directly from farmers to eliminate possibility of middlemen taking advantage of the scheme. The purchase centers shall be close to the CWC/SWC godown, processing mill to reduce the transportation cost. The reporting of purchases shall be made through online mechanism and the central/state procuring agencies shall display the details of purchases on a daily basis on their website.

(ii) ***Limit of purchase in one single day***: Only 50 bags (50 kg. each) of produce shall be purchased from, one farmer, in one day.

(iii) ***Area of operation*:** Purchase will be made from only those farmers who come into the area of operation of that particular purchase center**.**

(iv) ***Display of information***: The procurement centre shall prominently display the MSP, bonus, operating hours& days, period of procurement, mode & time of payment to farmers.

(v) ***Payment to Farmers*:** The payments to the farmers shall be made by ECS and cheques only, against their sale within three days from actual delivery to the procuring agency. Only one payment will be made in a day in the account of an individual farmer and the said payment shall not exceed the total limit of one day purchase. Further, the procuring agencies shall ensure that the payments have been made directly into the bank account of the farmer clearly mentioning his 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 payments of other farmers.

(vi) ***Quantity for procurement*:** The overall procurement quantity should not normally exceed 25% of the actual production of the commodity for that particular year/season. Over and above to procurement limit of 25% if any, prior approval of DAC shall be required.

(vii) ***Visits & Inspections*:** All agencies shall be responsible to closely monitor the PSS operations and ensure the strict compliance of the provisions and conditions of the scheme and its guidelines.

(viii) ***Procurement report***: All agencies shall be responsible to furnish the daily progress reports of procurement &disposal (quantity and value wise) to their immediate hierarchy through SMS, email, fax etc.

(ix) ***Storage of procured Stock*:** The procuring agencies shall be responsible to store the procured stock only in CWC/SWC Godowns. However, in case of non-availability of this godowns/space, the stock may be stored in other godowns as approved by the State Government/Central Procurement Agency. It shall be ensured that the stock is stored safely and scientifically so that it does not suffer any preventive loss.

(x) ***Limitation on holding the stock***: The procured material will be stored only for its biological life but not exceeding six months from the closure of PSS operation to avoid increasing holding cost and quality deterioration. Biological life referred to as Future Expiry Date (FED) in the parlance of commodity exchange, is the life of the commodity after which it must be re-assessed/ consumed in order to remain fit for human consumption. Further, while holding the stock, the seasonality/durability of that particular crop will also be kept in mind. However, in exceptional circumstances, requiring stocking over 6 months, prior approval of the DAC should be obtained. It will be the responsibility of the warehouse company to ensure that the goods are properly stored. In case of losses occurring on account of poor storage the warehousing company must be made accountable by the procurement agency. The procurement agency must submit a storage ageing report on quarterly basis to the Department of Agriculture and Cooperation, GOI every quarter, clearly mentioning the ageing of the stored material. Any material that is stored for a period of more than six months must be put on disposal on priority basis.

(xi) ***Disposal of Stock*****:** The stocks shall be disposed through competitive bidding like e-auctions, open auction, using online platform of commodity exchanges/online spot markets/online spot market platforms, future trading etc. Further, the traditional disposal mechanism should be discouraged for better realization and greater transparency. In other words, the disposal shall be carried out in most transparent and competitive manner well within the biological life of the procured stock and in the off season when the prices of the produced are usually high, to secure highest price and minimum loss/profit to the Government. The Central agencies may also seek other supports like marketing, transporting, godown/warehouse from other private players available in the market. The procured stock may be disposed within the State or outside. The central/state agencies shall maintain a verifiable data of prices throughout the year to justify its decision to sell their procured stock in a certain month/season. Further, in case the procured stock is more than six months old, a reason/justification must be given as to why the same could not be disposed within the stipulated time. The stock position, centre, quantity, value, variety etc. and disposal statement, ruling price shall be kept updated, and placed on line on the website of the procuring agencies as well as sent to the DAC through sms, e-mail, fax, etc. on daily basis.

(xii) ***Maintenance of Documents/Accounts:*** The procuring agencies shall be responsible to maintain all relevant records like samples drawn, checking of FAQ parameters including the moisture content, quantity and value of produce procured daily with name and address of farmers, payment made to farmers, produce rejected, expenditure incurred, ruling market price of the commodity etc.

(xiii) ***Finalization of Accounts/Sharing of Loss Audit*****:** The audited accounts must reach DAC within three months from disposal of stock. The State agencies will submit their accounts to central agencies within one month from the last date of procurement. The DAC will examine the accounts and after accepting the same, either full or in part will send to the Department of Expenditure, through IFD, DAC for final acceptance of accounts. The loss, if any, under the PSS will be reimbursed as per the notification by the Central Government. The computation of loss shall be the total cost of procured cost (MSP paid to the farmers, the statutory taxes i.e. commission payable to the agents, grading, labour and packing charges, loading/unloading charges, interest, bank charges, godown charges, service charges to procurement agencies and any other charges directly related with either procurement or/and disposal of the procured stock) minus realization on sale of stock. Further, If there is any profit in the PSS operations, the same shall be remitted to the Government of India. All the documents should be available in the public domain and easily accessible to the general public.

(xiv) ***Service charges*****:** Service charges @ 2.5% for copra and 1.5% for other commodities will be paid on the Minimum Support Price (MSP) to the central agencies. Additionally, a maximum of 2% service charge will be paid to the procuring agencies at the state/procurement level. Procurement by State Level Marketing Federation shall be made through the Primary Cooperative Societies in which service charges @ 1% (out of total 2%) shall be paid to Primary Societies. However, if there is no Primary Societies functional in a particular area as certified by the State Government, the State Agencies/Federations would be paid 2% service charge provided they open and manage the procurement centers as per the guidelines. Besides, the DAC shall also provide 2% incentive to the central agencies on the net profit earned for disposal of PSS stocks.

(xv) ***Average yield district wise***: While undertaking purchases of any commodity under PSS, Central agencies may get the estimates of average yield and production in that area covered by the procurement centers from concerned State/UT Government authorities to ensure the procurement of produce from the farmers only. In case the variation in any particular area is beyond +/-20%, specific reasons may also be recorded for higher procurement.

(xvi) ***Genuineness of the farmer and his landholding***: Before undertaking purchases of any commodity under PSS, the central agencies may contact the concerned state authorities for deciding the documents to ensure the genuineness of the farmer and his landholding. There should not be any overwriting or cutting or erasing etc. in any documents showing the genuineness of the farmer and his landholding in the form of girdawari or any other document of the state government. Copies of these documents are to be retained by procuring agencies.

(xvii) ***Arrival of stocks***: The farmer may be advised to bring their stocks to the nearest procurement centre from his farm. The land records must indicate that the commodity, which is being offered under PSS, has been harvested from his own/leased land.

(xviii) ***Short recovery***: Central/state agencies should recover the value for any short recovery as per terms of the agreement entered into with the millers. Further, the common storage norms like Moisture Adjusted Weight (MAW) for the procured stock must be accounted for by the procurement agency.

(xix) ***Booking commodity wise expenses***: Central agencies should ensure that commodity wise expenses are properly booked under PSS.

Annexure

Proforma for State/UT Government for Implementing Price Support Scheme (PSS) for Oilseeds, Cotton & Pulses

1. Copy of notification of crop calendar year/harvesting period.

2. Details of crop production in the State (region/area wise).

Area	Crop	Sown area	Expected production	Average yield	Peak arrival period	Ruling market price	Expected quantity of procurement	Proposed duration of scheme

3. List of documents required to prove the genuineness of farmers.

4. Details of working capital arrangement for immediate payment to the farmer for their produce.

5. Details of PSS awareness/publicity of MSP for the crops name and address of procurement centres, contact details of authorized persons of central/state/primary procuring agency.

6. Details of preparatory/logistic arrangements like booking of CWC/Godowns, arrangement of gunny bags, transportation facility etc.

7. Details of processing facilities available/proposed to be available in and around procurement centres.

8. Any other information relevant to the scheme in support of your proposal mentioned in the guidelines and not indicated above.

UNDERTAKING

This is to certify that the above particulars are true and correct to the best of my information and the State/UT Government is willing to undertake the PSS operation for (name of the crop) in the State as per PSS guidelines of the Government of India. Further, the State/UT Government also agree to -

(i) Exempt all the state duties/taxes in respect of PSS operation.

(ii) Provide the necessary documents which prove the genuineness of the farmers.

(iii) Provide working capital to the State/primary procuring agency.

(iv) Create revolving fund for PSS operation.

(v) Take up the work of establishment of godowns, processing mills in and around the procuring centres.

(vi) Utilise PSS stocks in various Central/State Government Schemes.

Principal Secretary Agriculture
State/UT Government

To,
The Joint Secretary (Coop.),
Department of Agriculture & Cooperation,
Krishi Bhawan,
New Delhi

Subject: Request for implementation of Price Support Scheme (PSS)

Sir,

I am forwarding herewith a detailed proposal for implementation of Price Support Scheme (PSS) for the notified agricultural commodities in…………(name of the state). The proposal included following details:-

1. Copy of notification of crop calendar year/harvesting period.
2. Details of crop production in the State (region/area wise).
3. List of documents required to prove the genuineness of farmers.
4. Details of working capital arrangement for immediate payment to the farmer for their produce.
5. Details of PSS awareness/publicity of MSP for the crops name and address of procurement centres, contact details of authorized persons of central/state/primary procuring agency.
6. Details of preparatory/logistic arrangements like booking of CWC/Godowns, arrangement of gunny bags, transportation facility etc.
7. Details of processing facilities available/proposed to be available in and around procurement centres.
8. Any other information relevant to the scheme in support of your proposal mentioned in the guidelines and not indicated above.

You are, therefore, requested to kindly implement the PSS Scheme for procurement of …. (Name of the commodities) for the current crop season.

Yours faithfully,

Encd: As above.   (   )

Principal Secretary, Govt. of……….

S. No.		
1)	Title	Implementation of Price Support Scheme (PSS) and Market Intervention Scheme (MIS)
2)	Type	Non-Plan Scheme
3)	Objectives	To provide remunerative prices to the farmers by declaring Minimum Support Prices (MSP) and Market Intervention Price (MIP) with a view to encourage higher investment and production and protect from making distress sale
4)	Salient features	The Price Support Scheme (PSS) and Market Intervention Scheme (MIS) ensure remunerative prices to the growers.
5)	Pattern of Assistance	Under PSS, the Division provides working capital to its central agencies through Government Guarantee in the nature of revolving fund and under MIS the amount of loss is shared on a 50:50 basis between the central government and the state government (75:25 basis in case of North-Eastern States) is restricted to 25 percent of the total procurement value.
6)	Eligibility	For PSS, State / UT government agree to exempt the procured commodities from levy of mandi tax and assist central agencies in logistic arrangements, including gunny bags, working capital for state agencies, creation of revolving fund for PSS operations, etc. and for MIS, State / UT government ready to share the loss on a 50:50 basis between the central government and the state government (75:25 basis in case of North-Eastern States).
7)	Persons to be contacted	Joint Secretary (Coop.), DAC, Krishi Bhawan, New Delhi