



# The Mizoram Gazette

## EXTRAORDINARY

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#### NOTIFICATION

**No. B.14015/8/2024-AGR, the 28<sup>th</sup> October, 2024:** In the interest of public service, the competent authority is pleased to notify Standard Operating Procedure (SOP) for **Secondary Collection Center (SCC)** with immediate effect and until further orders.

#### 1. Objective

This Standard Operating Procedure (SOP) outlines the operational flow, roles, and responsibilities of the Secondary Collection Centre (SCC) for the sale of notified crops through an auction system in Mizoram. The SOP ensures transparency, accountability, and compliance with government notified rates, while also addressing potential malpractice and establishing procedures for claiming price support.

#### 2. Roles and Responsibilities

##### • Secondary Collection Centre (SCC):

Operated by a cluster of Primary Societies, the SCC is responsible for receiving, storing, auctioning crops, negotiating with buyers, and ensuring sales at government-notified rates. It generates revenue through service charges and holding charges.

#### 3. Revenue Sources of the Secondary Collection Centre (SCC)

The SCC will generate revenue through the following means:

##### 1. Service Charge:

The SCC can levy a service charge on either the Primary Society or the buyer, depending on the negotiation. This charge will cover operational costs such as auction management, staffing, and administrative expenses.

##### 2. Holding Charge:

The SCC can charge the Primary Society or buyer for holding and storing the crops in its facility. This charge is applicable when crops are held for a certain duration before being auctioned or sold. The terms and rates of the holding charge will be negotiated between the SCC, Primary Society, or buyer.

The SCC must ensure that the charges are transparent and agreed upon by all parties to avoid disputes.

#### 4. Procedure for Secondary Collection Centre (SCC)

##### 4.1. Formation and Organizational Structure

- **Cluster Society Formation:**

A cluster society comprising representatives (President, Secretary, or authorized persons) from each Primary Society in the operational area will be formed in accordance with Cooperative Society (PACS) guidelines.

- **Personnel Employment:**

The cluster society will employ:

- **Manager** : Oversees operations, storage, and auction processes.
- **Accountant** : Manages financial records and transactions.
- **Staff** : Assists in day-to-day operations, including unloading produce and maintaining the premises.

##### 4.2. Transport and Unloading of Produce

- **Responsibility of Primary Societies:**

Each Primary Society is responsible for transporting and unloading their produce at the SCC. The cost of transportation will be borne by the Primary Society.

- **Verification:**

SCC staff will verify the quantity and quality of produce delivered by each Primary Society and record the details.

##### 4.3. Storage and Auction Process

- **Storage:**

Upon receipt, crops will be stored securely in the SCC with proper labelling, indicating the Primary Society, quantity, and quality. Holding charges will apply as decided.

- **Auction System:**

- The SCC will conduct auctions, inviting buyers to bid for the crops.
- All auctions must be conducted transparently, ensuring fair competition among buyers.
- The SCC will strive to ensure that the auction price meets or exceeds the government-notified rates.

- **Negotiation with Buyers:**

If bidding is low, the SCC will negotiate with buyers to ensure that the final price is as close to the notified rate as possible.

##### 4.4. Sales and Payment

- **Sales Documentation:**

Upon completion of the auction, the SCC will issue a detailed sales receipt to the Primary Society, including:

- Quantity sold

- Final price per unit
- Buyer details
- Date and time of the auction.

- **Payment Process:**

Buyers will make payments to the SCC, which will then disburse the funds to the respective Primary Societies, minus any service or holding charges. A proof of payment will be issued for transparency.

#### 4.5. Record Keeping and Book of Accounts

- **Proper Documentation:**

The SCC must maintain detailed records, including:

- Receipts of produce received
- Auction records, including prices, buyers, and quantities
- Transportation details, including transporter names and vehicle numbers
- Payment receipts and proof of disbursements to Primary Societies.

- **Supporting Documents:**

All transactions must be supported by appropriate documentation, including:

- Quantity verification records
- Proof of sales (auction receipts)
- Proof of payment
- Transporter details for each batch of produce.

#### 4.6. Price Support Claim

- **Procedure for Claiming Price Support:**

If the notified rate cannot be achieved during an auction, the Primary Society can claim price support from the government. The SCC must provide:

- Proof that the crop was sold below the notified rate.
- Supporting documents, including:
  - Sales receipts
  - Auction records
  - Payment proof
  - Quantity verification records.

- **Submission of Claim:**

These documents will be submitted to the DAMC for processing the price support claim.

### 5. Prevention of Malpractice

#### 5.1. Transparency and Accountability

- **Internal Controls:**

The SCC must establish strong internal controls to prevent any manipulation or fraudulent practices by management or Primary Societies.

- **Third-Party Audits:**

Regular audits by third-party auditors will ensure the SCC's compliance with financial and

operational procedures.

## 5.2. Consequences of Malpractice

- **Disciplinary Actions:**

Any involvement in malpractice, such as falsification of records or auction manipulation, will lead to disciplinary action, including:

- Suspension or termination of SCC operations.
- Legal actions against responsible individuals.

- **Reporting Mechanism:**

Any evidence or suspicion of malpractice must be reported immediately to the DAMC for further investigation.

This SOP is designed to maintain fairness, efficiency, and transparency in the sale of notified crops in Mizoram, while providing a clear framework for operations, supervision, and price support.

**Ramdinliani**

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