



SUBSIDY ON OIL SEEDS UNDER KHADAM-E-PUNJAB KISSAN PACKAGE
EXPRESSION OF INTEREST PERFORMA
(EOI PERFORMA)

Department of Agriculture
Government of Punjab - Pakistan



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1. Definitions

In the Scheme, the words and expressions defined hereinafter shall, except where the context requires otherwise, have the following meaning:

1. “CNIC” shall mean Computerized National Identity card issued by NADRA (National Data base & Registration Authority).
2. “Details” shall mean Quantity of Oil Seed(Canola & Sunflower) in bags as well as in Metric Tons which are already in Stock either in warehouses or in Transition from importing country to port or Stock at port. “GoPb” shall mean Agriculture Department, Government of the Punjab.
3. “Oil Seed(s)” shall means Canola and Sunflower seeds for this Scheme.
4. “Registered Farmer” shall mean Farmers already registered under cash compensation scheme of Prime Minister Kissan Package during 2015 and being registered under Different schemes of Agriculture department which include but not limited to Empowerment of Kissan through Financial & Digital Inclusion, Applicant of Rust Free Wheat Seed Distribution Program, Applicant of laser leveler Scheme, Applicant of the Project “Promotion of Mechanization in Punjab, farmers registered for Potash subsidy scheme and all farmers whose bio data is being maintained with Agriculture Department, PLRA & PITB
5. “Security Seal Provider (SSP)” shall mean the company responsible for printing subsidy voucher with all features recommended by GoPb.
6. “Subsidy Voucher” shall mean the voucher recommended by GoPb with specifications having subsidy number printed on it.

2. Introduction

Pakistan’s total edible oil consumption stands at 3.8 Million Metric ton out of which 2.8 Million Metric ton is imported. At present about 24% of the total requirement of edible oil is met through domestic production and 76% by import. Imported palm oil has higher percentage of saturated fatty acids and is harmful for health. To reduce the import bill and provide quality edible oil to the consumers, increase in local production of Oil Seed Crops i.e. (Canola& Sunflower) is necessary.

Pakistan is deficient to meet the domestic requirement of vegetable oil. Domestic sources of edible oil of cotton seed, rapeseed, mustard, sunflower and canola. Total annual requirement of oil seed crops is 3.3 million tons out of which imported 2.6 million metric tons and form local production 0.73 million tons. Pakistan import annually 94% palm oil 5% soybean oil. Status of major oil seed crop in Punjab is

rapeseed/mustard is 130 (000 Hectares), 22 (000 Hectares) sunflower and 69 (000 Hectares) sesame. Major constraints in oil seed production are as under:

1. Uncertainty about procurement at reasonable prices.
2. Local Ghee/Oil Industry prefer to purchase cheaper palm oil.
3. Competition with wheat, sugarcane, maize and cotton.
4. Grown on marginal land using low inputs.
5. Non-availability of quality seed.
6. Lack of sowing, harvesting and threshing machinery.
7. Incompatible water saving policy with oilseed crops

Besides resolving other issues, GoPb has made a comprehensive plan for increase of area and production of oil seed crop in Punjab with a subsidy. Therefore, self-sufficiency will be possible with increase in area under oil seed in whole of Punjab. To solve the constraint number 1 and 3 GoPb will subsidize 100,000 acres of Sunflower and Canola@ PKR 5000-9000/- depending upon the difference between Cost of production and market price.

3. Cost Arrangement

An amount of Rs. 500 million is allocated for this scheme

4. Implementation Arrangements

a) Generation of Unique codes and printing of Security Labels/ Vouchers (Table 1)

- i. PITB will develop an online portal for generating unique codes for Oil Seed companies.
- ii. Oil seed companies shall place request for generating unique codes before Agriculture Department (GoPb) along with mandatory documents required by the department for permitting generation of unique codes in accordance to quantity of Oil Seed imported/produced.
- iii. GoPb after approval of request shall intimate PITB to add capping of Oil Seed Company on online portal for generating unique codes and will inform Oil Seed Company.
- iv. Oil Seed Company, then, will generate unique codes from online portal but will not have access to view the codes' list in order to minimize human intervention.

- v. Oil Seed Companies will have an agreement with a Security Label Supplier Company for printing unique codes.
- vi. Security Label Supplier shall have access for downloading unique codes generated by the Oil Seed Company.
- vii. Oil Seed suppliers shall place Purchase order to Security label Supplier.
- viii. Security label supplier will prepare the security labels with unique codes according to the given specifications and deliver to the Oil Seed Company.
- ix. Oil Seed supplier will durably affix the security label on the inside of the bag before filling oil seed so that part of it is visible above the seam after stitching

b) *Flow Mechanism of Pre-paid Vouchers (Table-1)*

- i. Farmer will scratch the card and send secret code with CNIC on a short code dedicated for GoPb to PITB
- ii. PITB will verify the secret code and CNIC of the farmer.
- iii. CNIC of Registered farmer will be shared with Branchless Banking Operator by PITB
- iv. The farmer will receive instructions by SMS about subsidy amount and instructions to visit Branchless Banking Operator's agent for payment
- v. A significant amount of subsidy will be disbursed to beneficiary in real time after redemption of voucher and remaining amount shall be disbursed at the time of harvesting. Tentative time for first disbursement start from October 15th and second disbursement of remaining g subsidy shall be disbursed among farmers by end of March 2018 i.e. at harvesting time of Canola and Sunflower crops.
- vi. Loaded voucher can be redeemed from Mobile merchants that will agree to this scheme
- vii. Non-registered farmer will receive instructions to get himself registered through a suitable mean notified by the GoPb and follow step I to V.

5. Eligibility Criteria (Farmers)

- i. All the farmers of Punjab having NADRA CNIC shall be beneficiaries
- ii. Vouchers required for 12.5 acres cultivation can be loaded against one CNIC in each crop season and this number shall be changeable by Secretary Agriculture

after consideration with the department depending on Oil Seed consumption and requirement in the province.

6. Eligibility Criteria (Oil Seed Suppliers)

- i. The scheme is open for all the Oil Seed (Canola & Sunflower) suppliers
- ii. Firms who agree with the mechanism will be eligible.
- iii. Physical verification of all the provided documents provided for qualifying for eligibility will be mandatory.
- iv. There is no deadline / due date for joining the scheme but, there will be a date for full implementation of the scheme and stoppage of interim/transition arrangement.
- v. Application for registration will be received from [redacted] To Open till further notification

7. Roles and responsibilities

a. Govt. of Punjab (GoPb)

- Agriculture Department, government of Punjab through Director General Extension will be the implementing agency for the scheme.
- ii. Provide guidance to the farmers regarding the usage of vouchers on the toll free help line already operational with the help of PITB.
 - iii. Directorate of Information shall formally announce the scheme with its salient features as a window for guidance to farmers through print and electronic media.
 - iv. Agriculture department will hire the Branchless Banking Operators for Voucher redemption
 - v. Agriculture Department with the help of PITB will generate the Unique Secret codes for each Bag on the Request of Producers/Importers/suppliers of Oil Seeds.
 - vi. PITB will Validate the Secret scratched codes after Matching the CNIC from their Data base
 - vii. PITB will transmit valid Vouchers to Branchless Banking Operator for redemption and further Processing.
 - viii. PITB will keep Track of each bag when it was scratched and Redeemed
 - ix. Trouble shooting of the System
 - x. Price Monitoring and Ensure that Price of Product is same before and after Subsidy Announcement if international Prices are same.

- xi. Consultation with Suppliers if Price change is required
- xii. Payment of Pre-Paid vouchers to farmers through Branchless Banking Operator.

b. Punjab Information Technology Board (PITB)

- i. Generation of unique secret codes for each bag of subsidized Oil Seed.
- ii. Validation of code after scratching
- iii. Communicate CNIC and Voucher details to Branchless Banking Operator
- iv. Keeping track of each bag after it is scratched and redeemed
- v. Trouble shooting of system
- vi. Price monitoring
- vii. A toll free helpline for guidance of farmers

c. Suppliers/ Manufactures/importers of Oil Seeds

- i. The firms that agree to the given design / mechanism will have to request the Agriculture Department to get them registered with the scheme.
- ii. Oil Seed Suppliers will share the details of their Existing stock as well in coming Product with Agriculture department & PITB
- iii. Suppliers will Print the Security seals as per Specification Mentioned in **Annexure -1.**
- iv. Suppliers will ensure the pasting of Security Seals on each bag either in Existing stock or incoming Product
- v. Suppliers will paste the Security seals on a new product in a following manner
 - a. Security Seals will be pasted inside the Bag around 5-7 inches from Horizontal edges and 3-4 inches from top vertical edges
 - b. Stitching of bag should be done in a way that Half of Seals should be above the stitched portion and half Below the Stitched Portion or any other method notified by the department
 - c. Ensure the Stitching of bag in way that Scratch Portion will be below the stitching portion of Seed bag
 - d. Security Seal should be pasted in such a way that it can't be removed as a whole without opening of Bag
- vi. Physical verification will be a must by the department through Bank LCs and other relevant documents in case of import or local production.

- vii. Ensure that “No” bag is without Security Seals.
- viii. Ensure the availability of Instructions Broachers at prominent Place of each sale point
- ix. Consultation with Agriculture Department for any price change if required
- x. Only those suppliers/ manufacturers/ importers will be eligible for this scheme who register and sign for this scheme and undertake in writing to develop their in-house capacity and systems/ mechanisms to fully implement this scheme in its true spirit.

d. Branchless Banking Operator Companies

- i. Process the Valid Vouchers details along with CNIC & Mobile Number of Farmers received from PITB
- ii. Inform all Eligible Farmers about voucher redemption process through SMS or robo calls
- iii. Inform farmers about contact details (contact # & Number) of nearest cash out agent
- iv. Ensure that only Genuine Farmers Claim the Voucher Redemption
- v. Location wise daily, Weekly and Monthly Reporting to PITB, Agriculture Department & Oil Seed Suppliers.
- vi. Responsible for any Fraud with consumer at agent shop

e. Responsibilities of Farmers

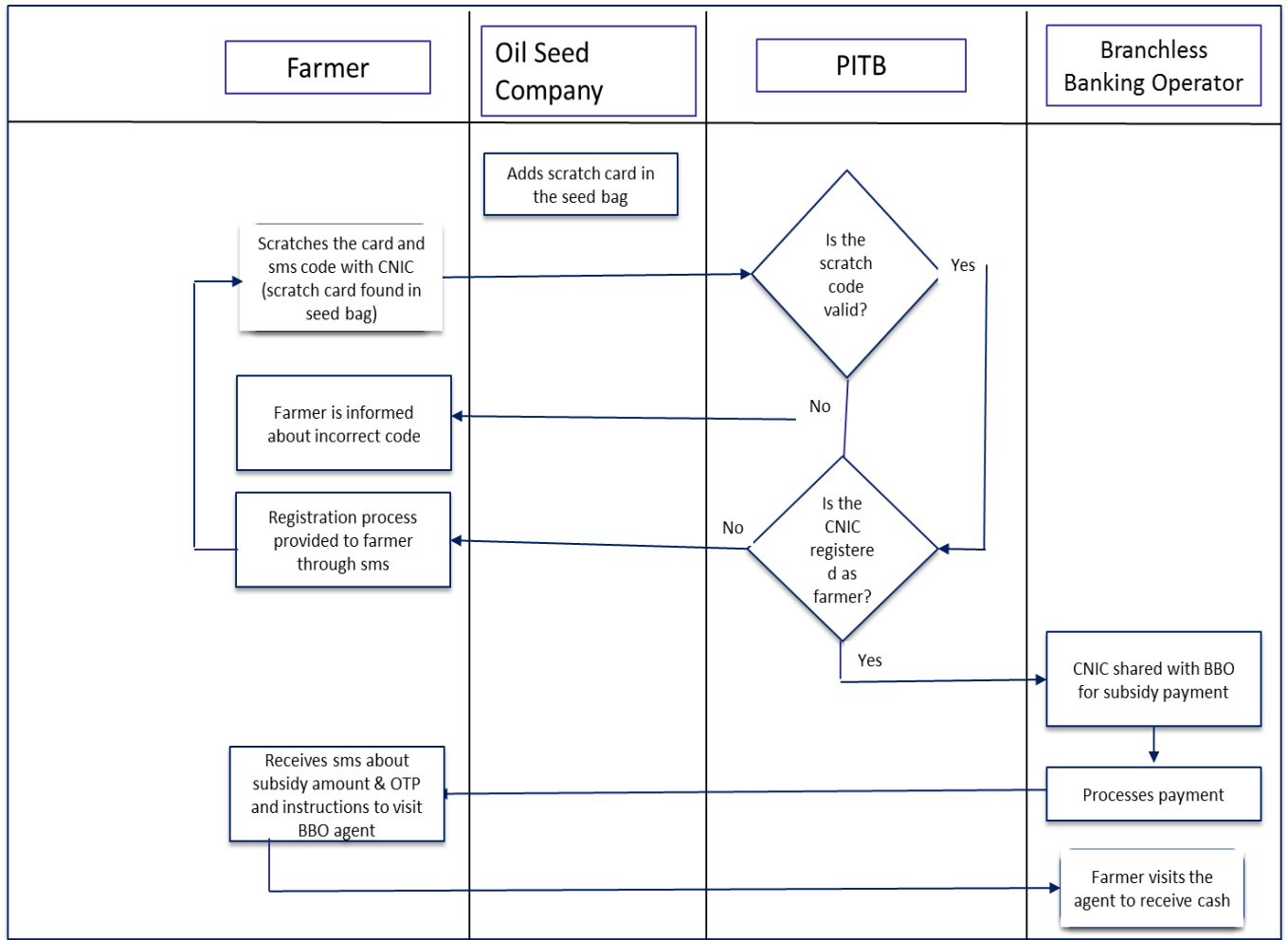
- i. Farmers will Purchase the Oil Seed Bags having Security Seals from Oil Seeds sale Point
- ii. Open the bag and scratch the Voucher
- iii. Send the Voucher along with CNIC to short code given by GoPb for redemption.
- iv. Get himself registered if not already registered.

f. Security Seal Provider

- i. Security Seal Provider (SSP) will print the subsidy voucher of size 70-75 mm (length) x40-45mm(width) as per agreed design with durable adhesive and security features
- ii. SSP will be Responsible for any Misuse of Code before during Printing Process

- iii. SSP will ensure Timely Delivery of Security Stickers/seals to Oil Seed Suppliers under intimation to GO Punjab

Table-1



Annexure-A**Specifications for Subsidy Vouchers**

<u>SECURITY FEATURES</u>	<u>NATURE</u>
1. Color shift ink-changes color when viewed at different angles	Overt
2. Dual light polarization-seen through validator	Semi Covert
3. Die cut marks-peel off resistant	Overt
4. Serial numbers	Overt
5. Hidden random numbers-visible after scratching (Provided by PITB)	Covert
6. Short code-for SMS verification	Overt
7. Size 70-80mm* 40-45mm	
8. Font Size 12 (Time New Romans)	Covert

Business Volume Performa for Canola

Name of Firm	Previous Offtake (Production)				Previous Offtake (Import)				Current Stock Position		Estimated Date for Pasting of Vouchers on Existing Stock	Remarks	
	Month	2015-16		2016-17		2015-16		2016-17		Tonnes			Bags
		Tonnes	Bags	Tonnes	Bags	Tonnes	Bags	Tonnes	Bags				
	July												
	August												
	September												
	October												
	November												
	December												
	January												
	February												
	March												
	April												
	May												
	June												

Authentication of above information on the basis of tangible records, invoices, dealers requests through draft number, Sale tax records, movement records from import destination to country and then to stores, SAP record with verification from senior management with right of counter verification

(Name of & Signature of Authorized Person
With Stamp)
Designation

Business Volume Performa for Sunflower

Name of Firm	Previous Offtake (Production)				Previous Offtake (Import)				Current Stock Position		Estimated Date for Pasting of Vouchers on Existing Stock	Remarks	
	Month	2015-16		2016-17		2015-16		2016-17		Tonnes			Bags
		Tonnes	Bags	Tonnes	Bags	Tonnes	Bags	Tonnes	Bags				
July													
August													
September													
October													
November													
December													
January													
February													
March													
April													
May													
June													

Authentication of above information on the basis of tangible records, invoices, dealers requests through draft number, Sale tax records, movement records from import destination to country and then to stores, SAP record with verification from senior management with right of counter verification

(Name of & Signature of Authorized Person
With Stamp)
Designation

STATEMENT OF COMPLIANCE

I *[Name]* confirm on behalf of *[Recipient]* that this EOI conforms in every respect with the Request for EOI.

Recipient's name	_____
Recipient/Authorised officer signature (Stamp)	_____
Date	_____

DESCRIPTION OF PROPOSED SERVICES

The Applicant agrees to provide following services:

Service Name	Description
Inclusion in Oil Seed Subsidy Scheme of Government of Punjab	<ul style="list-style-type: none">• Printing of Subsidy vouchers for Oil Seeds bags as per specifications approved by Government of Punjab through Agriculture Department• Pasting of subsidy vouchers on each and every bag of Oil Seed being sold in Punjab• Presenting record of production/import of Oil Seeds to Agriculture Department for verification of record• Helping in media/awareness campaign of scheme across the province

Recipient's name _____

Recipient/Authorised officer signature
(Stamp) _____

Date _____

Application Specimen

To

The Director General Agriculture,
(Extension & AR) Punjab, Lahore

Subject: **APPLICATION FOR INCLUSION IN OIL SEED SUBSIDY SCHEME**

*[Request for Inclusion with Company's background and detail of spread across
the Punjab]*

Signature & Stamp of Authorized Person
Designation
Date:

*The letter must be on Company's letterhead

Eligibility Criteria

A company failing to fulfil any one or more of the following requirements shall be considered ineligible for qualifying for inclusion in this scheme.

Sr. No.	Document	(Yes/No)
1.	Application for Inclusion in Scheme on Company's letterhead with sign and stamp (Annexure-E)	
2.	EOI Performa (Annexure-B)	
3.	Statement of Compliance (Annexure-C)	
4.	Description of proposed services (Annexure-D)	
5.	NTN and GST Certificate from FBR (The manufacturer/importer should have been in this business since at least last three years)	
6.	Germination Certificate for seed variety to be included in the Scheme for ensuring Quality Standard as per "Truth-Enabling Rule-1999".	
7.	Permission Certificate from FSC & RD for commercial import.	
8.	Production/importer company of Oil Seeds should provide Certificate of Incorporation from Securities & Exchange Commission of Pakistan in case if company is Public Limited Company.	
9.	Undertaking on Company's letterhead with sign & stamp stating the company is not blacklisted from any institute of Pakistan	
10.	List of authorized dealers/distributors/sales points across Punjab province	
11.	List of warehouses in Punjab province	