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File No. 12018/11/2007-FPP
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

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New Delhi, dated the 23rd June, 2010
25/6

ORDER

Government of India has decided the movement of subsidised Urea through Coastal Shipping as an additional mode of transportation, to supplement the rail and road movement. The freight expenditure of Government under the subsidy regime, for coastal shipping will be restricted to the freight payment under the subsidy regime on the basis of rail and road freight worked out on the Fertilizer Monitoring System (FMS). Accordingly, indigenous Urea on Government account will fall within the ambit of uniform freight subsidy regime for domestic movement of the material through coastal shipping and the Standard Operating Procedure (SOP) will be as below:-

1. Coastal shipping is confined to domestic carriage of goods through coastal routes.
2. Carriage of cargo through coastal routes is permitted only on Indian Flag vessels. The bagged material is containerized before loading in the Indian sailing vessels and the containers are sealed in presence of the Indian custom authorities.
3. The fertilizer companies undertaking coastal movement are required to arrange the empty containers from the load port to their plant and the bagged cargo will be stuffed in the containers mounted on trailers. Thereafter the loaded containers are moved out to the port for loading on the vessels.
4. The containerized cargo is loaded in the Indian Flag vessels, licensed to move in the coastal routes and once the loading completes, the containers are sealed for moving the material directly to the discharge port with the sailing certificate issued.

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5. A coastal bill of goods is generated for filing at load port, with the certification of Indian custom authorities after necessary inspection carried out by them. The same has to be cleared by the Indian custom authorities at the port of discharge.

6. On arriving at discharge port, custom authorities checks and ensures the containerized cargo seals are intact and also verify the vessel's last port of call through the port clearance certificate. The cargo seal will remain intact till delivery at the warehouse.

7. After discharging the containers at the discharge port, custom documentation and seal verification of the goods is completed for loading the containers on trailers for moving to the warehouses. Seal intactness is again verified at the warehouse prior to breaking and de-stuffing the cargo.

8. For every movement of fertilizers through coastal shipping route from plant/port to finally in a district in any part of the country, a notional freight based on rail/road movement of fertilizers from plant/port to the destination district will be worked out in the FMS.

9. The notional freight would be based on rail freight (minus peak season surcharge) for movement of fertilizers from plant/port to the nearest railway rake point to the final destination. The road freight would be worked out on the basis of the normative lead applicable for final destination as per the per kilometer rate applicable for the same. The actual freight payment will be restricted to the rail/road freight to the destination minus peak season surcharge or actual freight incurred whichever is less.

10. The notional rate should be computed automatically on FMS based on the final movement of fertilizers shown by the fertilizer companies on the FMS. For this purpose, the companies would provide the actual transportation cost details for the multi-model transportation at various stages on FMS.

11. Movement of fertilizer by coastal shipping would be strictly as per supply plan agreed by DOF and will be part of overall supply plan of month for a particular state, without +10% variation.

The FMS system has been modified to accommodate above changes. These orders will apply to the movement on or after date of issue of these orders.

This, issues with the approval of competent authority.



(DEEPAK KUMAR)
DIRECTOR (MOVEMENT)

To:-

Sr. PPS to Secretary(F), JS(P&P), JS(F&P), JS(A&M), ED(FICC)

Copy to:-

1. Chief Secretaries of all States;
2. The Principle Secretaries (Agriculture)/APC/Secretary (Agri) in the State;
3. Commissioner/Director (Agriculture) in the State Government/Union Territories;
4. All Manufacturers/Importers of Fertilizers;
5. All Lead Fertilizer Suppliers(LFS);
6. Director General, Fertilizer Association of India (FAI);
7. Director (Fertilizer Accounts), DOF; and
8. M/s Lateral Praxis, Mumbai.
9. NIC, WEBSITE

Copy also to: -

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1. Director (A&V); Director(F); Director (Finance), DDGDS (PPF); DS(P&I); DIR(CFA) and
 2. All Directors of FICC, DOF.

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issued