



ABSTRACT

Agriculture – Sugarcane – Switching over to Revenue Sharing based price fixation policy for sugarcane – Permission to transfer the difference amount between the State Advised Price for the 2016-17 crushing season and the Fair and Remunerative Price for 2017-18 crushing season of Rs.200/- per M.T. as transitional production incentive to the farmers through DBT from out of amount of Rs.134.50 Crore already sanctioned – Orders –Issued.

AGRICULTURE (S1) DEPARTMENT

G.O.(Ms).No.230

Dated: 17.09.2018

திருவள்ளூர்வராண்டு 2049
புரட்டாசித் திங்கள் 1-ஆம் நாள்

Read:

1. From the Director of Sugar letter Rc.No.4180/Cane1/2018, dated 30.04.2018 and 05.07.2018.
2. G.O.(Ms).No.191, Agriculture (S1) Department, dated 24.07.2018.
3. From the Director of Sugar letter Rc.No.4180/Cane1/2018, dated 27.07.2018.

ORDER:

In the Budget Speech 2018-19, it has been announced to switch over to revenue sharing based price fixation model for sugarcane from the current 2017-18 sugar season under which farmers will be assured of Fair and Remunerative Price (FRP) and may also receive a share in the profits over and above the Fair and Remunerative Price. In order to facilitate this policy transition and to protect the interest of sugarcane growers, the Government have announced the payment of difference between the present State Advised Price (SAP) of Rs.2,750/- per M.T. (excluding Transport cost of Rs.100/- per M.T.) and price received under new pricing policy as transitional production incentive directly to the farmers. The sugar mills shall, however, continue to bear the transportation costs. To implement this payment of transitional production incentive, the Government have also announced financial allocation of Rs.200 Crore in the Budget Estimate 2018-19.

2) As announced by the Government and based on the request of the Director of Sugar in her letter 1st read above, an amount of Rs.134.50 Crore was sanctioned for the timely transfer of transitional production incentive for the difference between the State Advised Price for 2016-17 and price fixed based on the Revenue Sharing Formula, due to switch over to the revenue sharing based sugarcane price fixation policy for the crushing season 2017-18 vide G.O. 2nd read above.

3) In the above G.O., the Director of Sugar was also requested to implement the scheme of sanction of transitional production incentive directly to the farmers through Direct Benefit Transfer (DBT) as per the detailed guidelines appended to the said order. The Director of Sugar was also requested to ensure transfer of incentives to farmers in time by strict adherence to the above guidelines in implementation of the scheme.

4) The Director of Sugar in her letter 3rd read above has informed that as per the above timeline fixed for the implementation of transitional production incentive directly to the farmers through DBT, farmer-wise data collected from the sugar mills is being compiled and de-duplication work is in progress through Government Data Centre. To implement revenue sharing based sugarcane price fixation, an 'Act' namely the Tamil Nadu Sugarcane (Regulation of Purchase Price) Act, 2018 has been enacted and published in Tamil Nadu Government Gazette No.249, dated.12.07.2018. Besides, the Rules thereunder are also yet to be framed and notified. After the notification of Rules, the Committee has to be constituted to take decision on the Revenue Sharing Price and this could be done only at the end of the current financial year and however this 2017-18 crushing season closes on 30.09.2018.

5. The Director of Sugar has therefore requested the Government to accord permission to transfer the difference amount between the State Advised Price for the 2016-17 crushing season (ie. last year's SAP) and the Fair and Remunerative Price for 2017-18 crushing season (ie. current year FRP) of Rs.200/- per M.T. as transitional production incentive to the farmers through DBT, since the revenue sharing based price for the current year can be tabulated only after the procedures are in place as explained at para 4 above.

6. The Government have examined the proposal of the Director of Sugar and decided to accept the same. The Government accordingly permit the Director of Sugar to transfer the difference amount between the State Advised Price for the 2016-17 crushing season (i.e. last year's SAP) and the Fair and Remunerative Price for 2017-18 crushing season (i.e. current year FRP) of Rs.200/- per M.T. as transitional production incentive to the farmers through DBT.

7) The Director of Sugar is requested to implement the scheme of sanction of transitional production incentive directly to the farmers through DBT in time by ensuring strict adherence of the detailed guidelines appended to G.O. 2nd read above.

8) The Director of Sugar is also requested to send a periodical status report on the implementation of the scheme.

(BY ORDER OF THE GOVERNOR)

**GAGANDEEP SINGH BEDI
AGRICULTURAL PRODUCTION COMMISSIONER AND
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Director of Sugar, Chennai -35.

The Director of Agriculture, Chennai -5.

The Pay and Accounts officer, Chennai - 8.

The Principal Accountant General (AE/Audit), Chennai -18.

The Principal Accountant General (G&SSA), Chennai -18.

The Principal Accountant General (E&RSA), Chennai - 18.

The Resident Audit Officer, O/o the Principal Accountant General (General and Social Sector Audit), Chennai - 9.

Copy to:

The Office of the Hon'ble Chief Minister, Chennai -9.

The Office of the Hon'ble Deputy Chief Minister, Chennai -9.

The Special Personal Assistant to Hon'ble Minister for Industries, Chennai -9.
The Special Personal Assistant to Hon'ble Minister for Agriculture, Chennai -9.
The Senior Private Secretary to Additional Chief Secretary to Government, Industries Department, Chennai -9.
The Senior Private Secretary to Agricultural Production Commissioner and Principal Secretary to Government, Agriculture Department, Chennai -9.
The Assistant Programmer, Agriculture Department, Chennai-9.
The Finance (Agri) Department, Chennai -9.
The Industries (MIC-I) Department, Chennai 9.
The Agriculture (OP3) Department, Chennai-9. (For indexing purpose)
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17/19/18
SECTION OFFICER

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