



## ABSTRACT

Agriculture and Farmers Welfare - Agriculture and Farmers Welfare Budget Announcement 2021-2022 - Sugarcane - Special Incentive to Sugarcane Farmers @ Rs.150/-per M.T. for 2020-21 crushing season - Sanction of Rs.54.70 Crore - Orders - issued

### AGRICULTURE AND FARMERS WELFARE (S1) DEPARTMENT

திருவள்ளூர்வராண்டு 2052, பிலவ வருடம் கார்த்திகை 20- ஆம் நாள்

G.O.(Ms).No.230

Dated: 06.12.2021

Read:

From the Additional Chief Secretary / Commissioner of Sugar Letter Rc.No.4970/ Cane1/ 2020, Dated: 01.09.2021 and 03.09.2021.

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### ORDER:

In the Agriculture and Farmers Welfare Department Budget Speech during the year 2021-2022, the Hon'ble Minister for Agriculture and Farmers Welfare among others, has made the following announcement on the floor of the Assembly on 14.08.2021:-

#### **26. Special Incentive to Sugarcane farmers**

From 2016-17 to 2019-20 crushing seasons, Rs.2750/-per tonne was paid as Sugarcane price. As the same Sugarcane price was paid without any hike for the past four seasons, the Sugarcane cultivation area is declining considerably. Considering this, the Sugarcane farmers are continuously making representations to the Government to increase the Sugarcane price.

Hence, considering the welfare of the Sugarcane farmers, the Government has decided to sanction Rs.150/- per tonne of Sugarcane as "Special Incentive" directly to the Bank account of the Sugarcane farmers who supply Sugarcane for 2020-21 crushing season. By this, the sugarcane farmers will get Rs.2,900 per tonne as cane price. For this purpose, the State Government has allocated Rs.138.83 Crore during the year 2021-22 for the benefit of 1 Lakh Sugarcane farmers.

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2. The Additional Chief Secretary / Commissioner of Sugar in his letter read above, has stated that the sugarcane production and its productivity has declined sharply in recent years due to various factors viz., failure of monsoon, increase in cost of cultivation, static sugarcane price, mounting cane payment arrears and non availability of alternate high yielding sugarcane varieties to the existing Co-86032 variety. The sugar mills are facing severe financial crunch due to steadily increasing cost of production of sugar and static/declining sugar price which resulted in non-settlement of timely payment of cane supplied by farmers.

3. The Additional Chief Secretary / Commissioner of Sugar has also stated that, the sugarcane farmers are continuously representing the Government to increase the cane price considering the increase in cost of cultivation of sugarcane. Based on the repeated representations of the sugarcane farmers, to sustain the sugarcane cultivation and to improve the performance of the sugar industries, the Hon'ble Minister for Agriculture and Farmers Welfare has announced on the floor of Legislative Assembly while presenting Agriculture Budget on 14.08.2021 that Special Incentive of Rs.150 per M.T. of sugarcane will be paid to the sugarcane farmers who have supplied sugarcane for 2020-21 crushing season. Further, the Government allocated Rs.138.83 Crore for this purpose with a condition to disburse the amount directly to the bank accounts of the sugarcane farmers concerned. The eligible Special Incentive to the sugarcane farmers will be disbursed by following the procedure adopted in the disbursement of Transitional Production Incentive:-

- (i) The Special Incentive of Rs.150 per M.T. will be paid over and above the Fair and Remunerative Price of Rs.2707.50 per M.T. linked to 9.5% sugar recovery announced by Government of India and Transitional Production Incentive of Rs.42.50 per M.T. announced for 2020-21 crushing season. The announcement will enable the farmers to get Rs.2,900/- per M.T. for the sugarcane supplied to Cooperative, Public and Private sector sugar mills from the command area of each sugar mill.
- (ii) All the sugar mills shall be directed to submit a report on the quantity of cane supplied by each farmer during 2020-21 crushing season along with bank account details to the Department of Sugar in the format specified by the Commissioner of Sugar. The Commissioner of Sugar in

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consultation with the Government Data Centre (GDC) will compile the data received from all the mills and prepare a database of farmers. For the speedy and effective implementation of the scheme, a third party consultant will be engaged by following the stipulated norms to make data entry of the details collected from the sugar mills and compile the database in the prescribed format by the Government Data Centre (GDC) and provide necessary inputs to the District Level Committee and compile the UTR Nos. as evidence for disbursement of Direct Benefit Transfer.

4. The Additional Chief Secretary / Commissioner of Sugar has requested the Government to sanction a sum of Rs.139.43 Crore to implement the Special Incentive to the sugarcane farmers by following the procedure adopted in the disbursement of Transitional Production Incentive and also to permit the Director of Agriculture to draw the money and to transfer to Commissioner of Sugar. The funds requirement is calculated based on the cane crushing estimates for 2020-21 season. The breakup details are mentioned below:-

No. of mills for which fund required	Estimate of cane crushing (L.M.T.)	Approximate fund requirement @ Rs.150/M.T. (Rs. in Crore)
Farmers of Cooperative, Public and Private sector sugar mills (Cane supplied from 01.10.2020 to 30.09.2021)	9270	138.83
<b>Total</b>	<b>9270</b>	<b>138.83</b>
Cost required for the analysis and maintenance of data base through Government Data Centre	-	0.10
Cost required for the consultant for preparation of data base and follow up	-	0.15
Contingency charges	-	0.35
<b>Total fund requirement</b>		<b>139.43</b>

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5. In pursuant to the announcement made by the Hon'ble Minister for Agriculture and Farmers Welfare during the Agriculture Budget 2021-2022, the Government have examined the proposal of the Additional Chief Secretary / Commissioner of Sugar and hereby accord financial sanction to the tune of Rs.54,70,00,000 (Rupees Fifty Four Crore and Seventy Lakh only) for the implementation of Special Incentive to Sugarcane Farmers subject to the following conditions :-

- (i) Permission accorded to utilize the balance, a sum of Rs.84.48 Crore which is kept as savings by the Department of Sugar from the amounts sanctioned during previous years under Transitional Production Incentive & Transport Subsidy Scheme.
- (ii) The cost of Rs.15.00 Lakh for consultant for preparation of database and followup, the cost of Rs.10.00 Lakh for the analysis and maintenance of database through GDC and the cost for contingency charges which may be restricted at Rs.10.00 Lakh - totalling Rs.35.00 Lakh permitted to be incurred within the savings amount of Rs.84.48 Crore.
- (iii) The works relating to analysis and maintenance of database may be done through Government Data Centre Programmers or Tamil Nadu e-Governance Agency (TNeGA).

6. The expenditure sanctioned in para.5 above shall be debited into the following Head of Account-

2401 00 CROP HUSBANDRY - 108 Commercial Crops - State's Expenditure - LA Production Incentive to Sugarcane Farmers-

(Rs. in Thousands)

(i)	305 Office Expenses	
	02 Other Contingencies	
	(IFHRMS DPC: 2401 00 108 LA 30502)	1000
(ii)	311 Subsidies	
	02 General Subsidy	
	(IFHRMS DPC: 2401 00 108 LA 31102)	543500
(iii)	333 Payments for Professional and Special Services	
	03 Special Service	
	(IFHRMS DPC: 2401 00 108 LA 33303)	1500
(iv)	333 Payments for Professional and Special Services	
	09 Other Payments	
	(IFHRMS DPC: 2401 00 108 LA 33309)	1000
	Total	547000

7. Necessary additional funds of Rs.54,60,00,000/- will be provided in Revised Estimate/Final Modified Appropriation 2021-2022 under the relevant head of account. Pending provision of such funds, the Director of Agriculture is authorized to draw and disburse the amount sanctioned in para.5 above to the concerned. However, the expenditure shall be brought to the notice of the Legislature by Specific Inclusion in the Supplementary Estimate 2021-2022. The Director of Agriculture is directed to include this expenditure while sending the Budget proposal for Revised Estimate / Final Modified Appropriation 2021-2022 and also to send necessary draft explanatory notes for including the above expenditure in the Supplementary Estimates 2021-2022 to the Government in Finance (BG-I/ Agri & FW) Department at the appropriate time without fail.

8. The Additional Chief Secretary / Commissioner of Sugar is directed to implement the Special Incentive to Sugarcane Farmers in time as per the detailed guidelines appended to this order in Annexure.

9. This order issues with the concurrence of Finance Department vide its U.O.No.222/JS(GKT)/Fin (A&FW)/2021, dated: 06.12.2021 with Additional Sanctioned Ledged No.1073 (One Thousand and Seventy Three)

(BY ORDER OF THE GOVERNOR)

C.SAMAYAMOORTHY  
AGRICULTURAL PRODUCTION COMMISSIONER  
AND SECRETARY TO GOVERNMENT

To

The Additional Chief Secretary / Commissioner of Sugar,  
Chennai -35.

The Director of Agriculture, Chennai -5.

The Pay and Accounts Officer, Chennai - 8/35.

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 (G&SSA), Chennai - 9.

Copy to

The Office of the Hon'ble 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 and Farmers Welfare, Chennai-9.

The Private Secretary to Chief Secretary to Government,  
Chennai-9.

The Private Secretary to Additional Chief Secretary to  
Government, Industries Department, Chennai -9.

The Principal Secretary to Government, Finance Department,  
Chennai -9.

The Senior Private Secretary to Agricultural Production  
Commissioner and Secretary to Government, Agriculture  
and Farmers Welfare Department, Chennai -9.

The Director of Information and Public Relation, Chennai-9.

The Assistant Programmer, Agriculture and Farmers Welfare  
Department, Chennai-9.

The Finance (Agri & FW/BG-I/BG-II/W&M-I) Department, Chennai -9.


The Industries (MIC-I) Department, Chennai 9.

The Agriculture and Farmers Welfare (OP3) Department,  
Chennai-9. (For indexing purpose)

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**//FORWARDED BY ORDER//**

  
**SECTION OFFICER**

  
08.12.2021

ANNEXURE

G.O.(Ms).No.230, Agriculture and Farmers Welfare (S1) Department,

Dated: 06.12.2021

DETAILED GUIDELINES FOR THE TRANSFER OF SPECIAL  
INCENTIVE TO THE BANK ACCOUNTS OF SUGARCANE  
FARMERS

For effective implementation of the Special Incentive scheme in a time bound manner the following procedure to be followed:-

Eligibility

Sugarcane is classified as an 'Essential Commodity' under the Essential Commodities Act and is Governed by Sugarcane (Control) Order, 1966 which provides for a reserved area for every sugar mill and the farmers who are cultivating sugarcane in the demarcated area are liable to supply their cane to the respective sugar mills earmarked (Clause 6 (1)). This is also further emphasized by Tamil Nadu Sugar Factories (Control) Act, 1949. Hence, the 'Special Incentive' announced by the Government will be given only to the farmers who have supplied cane to the sugar mills for which their land is earmarked and the incentive will be restricted to the actual cane supplied.

- (a) In case the land is situated in a Free Will area (or) under a court stay proceedings, then the farmers may send their cane to the mills involved in free will declaration (or) to any of the sugar mills related to the court proceedings.
- (b) In case a farmer has sent only a portion of his produce to the sugar mill assigned under the Tamil Nadu Sugar Factories Control Act, 1949 or Sugarcane (Control) Order, 1966 the Special Incentive will be restricted to the actual quantity supplied by the farmer to the assigned sugar mill.
- (c) In case of unregistered cane crushed and any cane bought through intermediaries including another farmer, the Special Incentive shall not be given for such cane supplied.

Cane Diversion:

- (a) In case of cane diversion, proper cane diversion order should have been obtained from the Commissioner of Sugar. The cane drawing mill should submit the diversion orders obtained from the Commissioner of Sugar along with Village-wise, Farmer wise cane drawal records for the allotted areas of the mills duly certified by the Assistant Director of Agriculture/Ex-Officio Cane Inspector in the prescribed format to claim Special Incentive. Further the Special Incentive will be eligible for the cane diversion made based on the proper cane diversion order / ratification order issued by the Commissioner of Sugar.

- (b) Certain Assistant Directors of Agriculture have been designated as Ex-officio Cane Inspectors for sugar mills. Cane diversion orders to Private Sugar Mills are issued by the Commissioner of Sugar only after getting remarks of the Ex-officio Cane Inspectors concerned after due verification of necessary documentary evidences to prove the genuineness of farmers and assurance given by the receiving mills that Fair and Remunerative Price will be paid within the stipulated time. Special Incentive will be recommended by the District Level Committee for the diverted cane only after ensuring that the claims are true and certified by the Assistant Director of Agriculture / Ex-Officio Cane Inspector and Joint Director of Agriculture of the District.

#### Implementation (Main & Special Season) of the Scheme

Registered Sugarcane Farmers of Cooperative, Public and Private sector sugar mills who have supplied cane including cane diverted to other mills based on proper diversion / ratification order obtained from the Commissioner of Sugar from their fields located in the villages of Tamil Nadu State from 01.10.2020 to 30.9.2021 only are eligible to get Special Incentive. The Co-operative, Public & Private Sector Sugar Mills are instructed to prepare and submit the documents and database to the Department of Sugar required for disbursement of Special Incentive as per the time schedule fixed by the Government.

#### Procedures

(i) Preparation of database at State level

All the Sugar Mills shall be directed to submit report on the quantity of cane supplied by each farmer during 2020-21 sugarcane crushing season from 01.10.2020 to 30.09.2021 along with the credentials supporting the claim including Aadhar number, land holding, details of cane supplied and mirror savings bank account in case of loan accounts to the Commissioner of Sugar in the format specified by Commissioner of Sugar. The details so collected will be compared with the returns furnished by the sugar mills to Government including Final Manufacturing Report under the various Acts such as Sugarcane Control (Order), 1966 / Tamil Nadu Sugar Factories Control Act, 1949 etc. It is the sole responsibility of the sugar mills to provide correct information of the farmer details who have supplied registered cane from the concerned demarcated area of the sugar mill.

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Sl. No	Description	Authorities Involved	Time line for Implementation
1.	Collection of cane supplied details and selection of consultant	Commissioner of Sugar	20.12.2021
2.	Preparation of farmers' database by engaging consultant for data entry	Commissioner of Sugar	20.01.2022
3.	Data analysis	Commissioner of Sugar / Government Data Centre	07.02.2022
4.	Forwarding the de-duplicated farmers' list to district	Commissioner of Sugar	28.02.2022
5.	Verification	District Level Committee	31.03.2022.
6.	Submission of certified list of farmers eligible for Special Incentive	District Level Committee	15.04.2022
7.	Transfer of Special Incentive	Commissioner of Sugar	30.06.2022
8.	Submission of utilisation certificate	District Level Committee	15.08.2022

**(ii) Certification by District Level Committee**

The Office of Commissioner of Sugar in consultation with the Government Data Centre / Tamil Nadu e-Governance Agency will design and create mill-wise farmers' database and through a suitable third party consultant compile the data received from all the mills and prepare a database of farmers for Government Data Centre / Tamil Nadu e-Governance Agency to process. The list of farmer's along with the excel statements, district wise will be sent to the District Collector concerned for field verification and certification by the members of the District Level Committee.

**(iii) Verification at District Level**

A committee headed by the District Collector will oversee that only the eligible farmers alone are covered after random field verification, due publicity etc. The District Committee will extract the suspicious transactions and farmers' details from the database and sent to field offices and verified for authenticity. The constitution of the committee is as follows:-

District Collector	Chairman
Managing Director / Chief Executive / Administrator of Co-operative and Public Sector Sugar Mills	Member Secretary
District Revenue Officer	Member
Joint Director Agriculture / Ex-Officio Cane Inspector nominated for the sugar mill.  (In case of district where no Co-operative and Public Sector Sugar Mills are situated. JD Agriculture shall act as the Member Secretary)	Member
Managing Director, District Central Cooperative Bank	Member
Lead Bank Manager	Member
Head of Cane Department of the Private Sugar Mill	Member

**(iv) Transfer of Special Incentive**

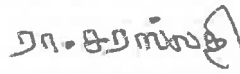
The list of farmers found eligible by District Committee shall be pasted in the sugar mill office, village administrative office and block development office for better transparency. After that the Commissioner of Sugar will transfer the Special Incentive directly into the farmers' bank accounts. Managing Director, District Central Cooperative Bank (DCCB) and Lead Bank Manager will ensure that the amount is credited to the intended farmers' bank account only and monitor the failed transactions if any.

**(v) Timeline for the implementation of Direct Benefit Transfer scheme**

From the data collection to transfer of Special Incentive, it is estimated that within 9 months the entire procedure can be completed. Database structure and necessary programming is being prepared by Government Data Centre / Tamil Nadu e-Governance Agency.

**C.SAMAYAMOORTHY  
AGRICULTURAL PRODUCTION COMMISSIONER  
AND SECRETARY TO GOVERNMENT**

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SECTION OFFICER

08-12-2021