



ABSTRACT

Agriculture – Sugarcane – Extension of the scheme of Transitional Production Incentive to sugarcane farmers 2018-19 crushing season - Sanction of Rs.150.00 Crore requested – Administrative sanction Accorded – Orders – Issued.

AGRICULTURE (S1) DEPARTMENT

G.O.(Ms)No.61

Dated: 07.03.2019

திருவள்ளூர் ஆண்டு 2050
மாசி திங்கள் 23-ம் நாள்

Read:

1. Budget speech 2018-19 dated: 15.3.2018.
2. G.O.(Ms).No.191, Agriculture (S1) Department dated: 24.07.2018.
3. G.O.(Ms).No.230, Agriculture (S1) Department dated: 17.09.2018.
4. G.O.(Ms).No.23, Agriculture (S1) Department, dated 29.01.2019.
5. From the Commissioner of Sugar letter Rc.No.104/Cane1/2019 dated: 04.01.2019

ORDER:

In the Budget Speech 2018-19, The Government have announced switching over to revenue sharing based price fixation policy for sugarcane from 2017-18 sugar season. In order to facilitate this transition, the Government have protected the interests of farmers, by assuring them of the present State Advised Price of Rs.2,750/- per metric tonne excluding transportation cost of Rs.100/-, by paying the difference between the present State Advised Price and the price received under the new revenue sharing formula as transitional production incentive directly to the farmers. To implement this transitional production incentive scheme, the Government had allocated Rs.200.00 Crore in the Budget Estimate 2018-19.

2) In Government Order 2nd read above, the Government have accorded sanction for a sum of Rs.134.50 crore was sanctioned for the timely transfer of transitional production incentive to the farmers through Direct Benefit Transfer due to switch over to the revenue sharing based sugarcane price fixation policy for the crushing season 2017-18.

3) In Government Order 3rd read above the Government have permitted the Commissioner of Sugar to transfer the difference amount between the State Advised Price for 2016-17 crushing season and the Fair and Remunerative price for 2017-18 crushing season of Rs.200/- per MT as transitional production incentive to the farmers through Direct Benefit Transfer.

4) In Government Order 4th read above, the Government have accorded sanction for an additional amount of Rs.11.82 Crore for disbursement of Transitional Production Incentive to sugarcane growers who have diverted cane to other mills during main season crushing and supplied to the mills for special season crushing of 2017-18 crushing season. As such, a sum of Rs.146.32 Crore has so far been sanctioned for payment of Transitional Production Incentive to sugarcane growers for 2017-18 crushing season, out of Rs.200.00 Crore Budget Announcement 2018-19.

5) In the letter 5th read above, the Commissioner of Sugar has stated that as announced by the Government, as on 31.12.2018, an amount of Rs.103.76 Crore has been released to about 1,15,830 farmers of Co-operative, Public and Private sector sugar mills through Direct Benefit Transfer for the 2017-18 crushing season.

6) The Commissioner of Sugar has also reported that for the season 2018-19, the Government of India has announced Fair and Remunerative Price for sugarcane at two scales - (i) Fair and Remunerative Price of sugarcane for 2018-19 sugar season at Rs.2,750/- per M.T for a basic recovery rate of 10% with a premium of Rs.27.50 per M.T. for every 0.1% increase above 10% recovery. Further Fair and Remunerative Price (FRP) will be proportionately reduced by Rs.27.50 per M.T. for 0.1% decrease in recovery in respect of those mills whose recovery is below 10% but above 9.5%. and (ii) **Fair and Remunerative Price of sugarcane for mills having recovery of 9.5% or less at Rs.2,612.50 per M.T.** The average sugar recovery of Tamil Nadu State is below 9.5% only. The difference between State Advised Price for 2016-17 crushing season (Rs.2,750/- per M.T) and the Fair and Remunerative Price (Rs.2,612.50) for 2018-2019 crushing season is Rs.137.50 per M.T.

7) The Commissioner of Sugar has also stated that various sugarcane farmers associations have represented to extend the Transitional Production Incentive for 2018-19 crushing season also (i.e 01.10.2018 – 30.09.2019) as announced during 2017-18 crushing season. The Commissioner of Sugar has also stated that the sugar mills in Tamil Nadu are expected to crush Rs.97.75 Lakh M.T. for 2018-19 crushing season. The actual crush may vary depending on the rainfall. In order to pay the differential price (Rs.2,750/- – FRP of 2018-19 season i.e., Rs.2,750 – Rs.2,612.50), Transitional Production Incentive during 2018-19 season also will be required to be paid to sugarcane growers. For this, an amount Rs.150.00 Crore may be required and hence budget allocation for the same is being sought for.

8) The Government after careful examination accept the proposal of the Commissioner of Sugar and decided to accord administrative sanction for a sum of Rs.150.00 Crore (Rupees One hundred and fifty Crore only) for the timely transfer of Transitional Production Incentive to the farmers during 2018-19 season through Direct Benefit Transfer due to switching over to the revenue sharing based sugarcane price fixation policy from 2017-18 crushing season.

9) The expenditure sanctioned in paragraph 8 above shall be debited to the following head of account:-

2401 – 00 – Crop Husbandry-108 Commercial Crops – State's Expenditure – LA Production Incentive to Sugarcane Farmers – 09 Grants – in - Aid – 03 Grants for Specific Schemes.
(DPC: 2401 00 108 LA 0931).

10) The Government also direct that the Sugar Mills shall continue to bear the transportation costs.

11) The Commissioner of Sugar is requested to implement the scheme of sanction of transitional production incentive directly to the farmers through Direct Benefit Transfer as per the detailed guidelines appended in the annexure to this order. The Commissioner of Sugar is requested to ensure transfer of incentives to farmers in time by strict adherence to the above guidelines in implementation of the scheme.

12) The Commissioner of Sugar is also requested to send a status report on the implementation of the scheme periodically.

13) This order issued with the concurrence of Finance Department vide its U.O.No.10513/Agri/2019, dated 06.03.2019.

(BY ORDER OF THE GOVERNOR)

GAGANDEEP SINGH BEDI
AGRICULTURAL PRODUCTION COMMISSIONER
AND PRINCIPAL SECRETARY TO GOVERNMENT

To

The Commissioner of Sugar, Chennai -35.

The Director of Agriculture, Chennai -5.

The Pay and Accounts officer, Chennai – 8/Chennai-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 Residential Audit Officer, O/o the Principal Accountant General (GSSA), 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, Chennai -9.

The Finance (Agri) Department, Chennai -9.

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

The Agriculture (OP3) Department, Chennai-9.

The Assistant Programmer, Agriculture Department, Chennai-9.

Stock file/Spare copies.

//FORWARDED BY ORDER//

K. Palvarani
SECTION OFFICER 8/3/2019

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8/3/19