



ABSTRACT

Agriculture and Farmers Welfare – Sugarcane – Agriculture Budget Announcement 2022-2023 – Special Incentive to Registered Sugarcane farmers @ Rs.195/-per Metric Tonne for 2021-22 crushing season – Sanctioned–Orders – Issued

AGRICULTURE AND FARMERS WELFARE (S1) DEPARTMENT

G.O.(Ms).No.282

Dated: 23.11.2022

திருவள்ளூர் ஆண்டு 2053,

சுபகிருது வருடம்

கார்த்திகை மாதம் 7-ஆம் நாள்

Read

1. Announcement made by Hon'ble Minister for Agriculture and Farmers Welfare in the Agriculture Budget 2022-23 on 19.03.2022.
2. From the Additional Chief Secretary / Commissioner of Sugar, Letter Rc.No.2223/Cane-2/2022, Dated: 19.04.2022, 09.06.2022 and 05.08.2022.
3. G.O.(Ms).No.179, Agriculture and Farmers Welfare (S2) Department, Dated: 13.08.2022.

ORDER:

The Hon'ble Minister for Agriculture and Farmers Welfare, among others, has made an announcement in Agriculture Budget 2022-23 on the floor of Legislative Assembly on 19.03.2022 as given below:-

17. Special Incentive to Registered Sugarcane farmers

"To address the longstanding demand of Sugarcane growers and associations, to increase the price of sugarcane, the Government has decided to extend a Special Incentive of Rs.195/- per MT of Sugarcane to the eligible farmers who have supplied sugarcane to registered Sugar Mills during 2021-22 crushing season. About 1.20 lakh sugarcane farmers will be benefitted under this scheme."

2) In the letter second read above, the Additional Chief Secretary / Commissioner of Sugar has stated that, Sugarcane is the second most important cash crop in Tamil Nadu. The area under sugarcane cultivation is generally on a declining trend for the past 10 years and the average sugar

recovery of the State is below 9.5% due to non-availability of alternate high yielding sugarcane varieties to the existing Co-86032 variety, high cost of cultivation, scarcity of labour for carrying out cane harvesting operations etc., About 40% of the cost of cultivation of sugarcane is being incurred as harvesting expenses. Demand for other remunerative crops, stagnant sugarcane price and belated disbursement of cane payment to the sugarcane farmers and declining market prices for sugar and its by-products and rising cost of sugar production are the factors for reduction in sugarcane area of Tamil Nadu.

3) The Additional Chief Secretary / Commissioner of Sugar has also stated that, Sugarcane and Sugar come under Essential Commodities Act and thus production of sugarcane becomes a social obligation. Increase in the production of sugarcane not only increases the income of farmers but also essential for running the Sugar Mills to their full capacity. The Government of Tamil Nadu, by considering the demands of the farmers and farmers' associations, have announced a special incentive of Rs.195/- per Metric Tonne over and above the Fair and Remunerative Price (FRP) of Rs.2,755/- for the crushing season 2021-2022. In continuation to the Announcement made by the Hon'ble Minister for Agriculture and Farmers Welfare, the Farmers who have supplied their registered sugarcane to Sugar Mills in Tamil Nadu during 2021-2022 crushing season (between 01.10.2021 and 30.09.2022) are eligible to get the Special Incentive of Rs.195/- per Metric Tonne (M.T.) of Sugarcane.

4) The Additional Chief Secretary / Commissioner of Sugar has pointed out that the following procedure will be adopted for the disbursement of Special Incentive to the eligible sugarcane farmers:-

- (i) The Special Incentive of Rs.195/- per Metric Tonne of Sugarcane will be paid over and above the Fair and Remunerative Price of Rs.2,755/- per Metric Tonne linked to 9.5% sugar recovery announced by Government of India for 2021-2022 crushing season. The announcement will enable the farmers to get Rs.2,950/- per Metric Tonne for the sugarcane supplied to Co-operative, Public and Private Sector Sugar Mills from the command / reserved area of respective Sugar Mills.
- (ii) All the sugar mills shall be directed to submit a report on the quantity of cane supplied by each registered sugarcane farmer during 2021-2022 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 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 Special Incentive through Direct Benefit Transfer.

- (iii) The Eligible amount will be paid directly to the bank accounts of the sugarcane farmers concerned under Direct Benefit Transfer.

5) The Additional Chief Secretary / Commissioner of Sugar has informed that the provisional estimate of cane available for crushing during 2021-2022 crushing season in Co-operative, Public and Private Sector Sugar Mills in Tamil Nadu is around 121 Lakh Metric Tonnes (LMT) of which 110 LMT is expected to be eligible for Special Incentive. The approximate fund requirement for the disbursement of Special Incentive to the sugarcane farmers is calculated based on the cane crushing estimates for 2021-2022 crushing season as detailed below:-

Sl. No	Particulars	Estimate of cane crushing (Lakh Metric Tonne)	Approximate fund requirement (Rs. in Crore)
1	Registered Cane supply expected for 2021-22 crushing season (01.10.2021 to 30.09.2022) from Registered Farmers of Co-operative, Public and Private Sector Sugar Mills in Tamil Nadu and Special Incentive for 110 Lakh MT @ Rs.195/MT	110.00	214.500
2	Cost required for the analysis and maintenance of data base through Government Data Centre (GDC)	--	0.050
3	Cost required for the consultant for preparation of data base and follow up	--	0.050
4	Contingency charges		
	Salary for 3 Data Entry operators @ Rs.15,000 per month for 12 Months- Including Service Charges and GST Rs.66,000/-	--	0.066
	Inspection and Verification of Beneficiaries of Special Incentive through Direct Benefit Transfer and other Contingencies	--	0.034
	Total		214.700

6) The Additional Chief Secretary / Commissioner of Sugar has requested the Government to sanction an amount of Rs.214.70 Crore for the disbursement of Special Incentive to Registered Sugarcane Farmers.

7) The Government have examined the proposal of the Additional Chief Secretary / Commissioner of Sugar and hereby accord financial sanction to the tune of Rs.170.00 Crore (Rupees One Hundred and Seventy Crore only) and permit the Commissioner of Sugar (FAC) to utilize a sum of Rs.29.00 Crore which is kept as unspent by the Department of Sugar from the amounts sanctioned during previous years under Transitional Production Incentive & Special Incentive to Sugarcane Farmers for payment of Special Incentive to the Sugarcane farmers for 2021-22 Crushing Season, subject to the following conditions :-

- (i) Special Incentive to sugarcane farmers shall be paid for actual cane supplied by the farmer.
- (ii) Deduction for the trash content from the cane supplied by the farmers to the Sugar Mills shall be made for calculating the cane payment to the farmers as already directed in the Government Order 3rd read above.
- (iii) Target of 15,000 acres shall be covered under Drip Irrigation every year.

8) The amount sanctioned in para.7 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-311 Subsidies-02 General Subsidy".

(IFHRMS DPC: 2401 00 108 LA 31102) - Rs.170.00 Crore

9) The Director of Agriculture is authorised to draw and disburse the amount sanctioned in para.7 above to the Commissioner of Sugar (FAC).

10) The Commissioner of Sugar (FAC) is permitted to incur the expenditure mentioned below within the savings & interest amount of Rs.29.00 Crore:-

Particulars	Approximate fund requirement (Rs. in Crore)
Cost for the analysis and maintenance of data base through Government Data Centre (GDC)	0.050
Cost for the consultant for preparation of data base and follow up	0.050

Salary for 3 Data Entry operators @ Rs.15,000 per month for 12 Months - Including Service Charges and GST Rs.66,000/-	0.066
Inspection and Verification of Beneficiaries of Special Incentive through Direct Benefit Transfer and other Contingencies	0.034
Total	0.200

11) The Commissioner of Sugar (FAC) is directed to initiate Intensive awareness campaign among the Sugarcane farmers for installation of Drip Irrigation to get Government assistance from 2022-2023 planting season and to take action to achieve 15% of areas / 15,000 acres under drip irrigation over and above the existing level in fresh planting to save water.

12) The Commissioner of Sugar (FAC) is directed to implement the Special Incentive to Sugarcane Farmers in time as per the detailed guidelines appended to this order in Annexure.

13) This order issues with the concurrence of Finance Department vide its U.O.No.561/ADS(GKT)/2022, dated: 23.11.2022.

(BY ORDER OF THE GOVERNOR)

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

To

The Commissioner of Sugar (FAC), 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 Special Personal Assistant to Hon'ble Minister for Agriculture and Farmers Welfare, Chennai-9.

The Private Secretary to Additional Chief 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 Assistant Programmer, Agriculture and Farmers Welfare
Department, Chennai-9.

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

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

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50-8500081
23/11/22
SECTION OFFICER

ANNEXURE

G.O.(Ms) No.282, Agriculture and Farmers Welfare (S1) Department,
dated: 23.11.2022

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

In order to effectively implement the Special Incentive scheme in a time bound manner, the following procedure to be followed:-

1. 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 registered cane to their respective Sugar Mills for which their land is earmarked and the incentive will be restricted to the actual cane supplied.

- i. 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.
- ii. 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.
- iii. 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.

2. 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.

3. Implementation (Main & Special Season) of the Scheme

Registered Sugarcane Farmers of Co-operative, 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 01.10.2021 to 30.09.2022 only are eligible to get Special Incentive. The Co-operative, Public and 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.

4. Disbursement Procedures

a) 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 2021-2022 sugarcane crushing season from 01.10.2021 to 30.09.2022 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.

Sl. No	Description	Authorities Involved	Time line for Implementation
1.	Collection of cane supplied details and selection of Consultant	Commissioner of Sugar	15.12.2022
2.	Preparation of farmers' database by engaging Consultant for data entry	Commissioner of Sugar	31.12.2022
3.	Data analysis	Commissioner of Sugar / Government Data Centre	15.01.2023
4.	Forwarding the de-duplicated farmers' list to District Level Committee	Commissioner of Sugar	20.01.2023
5.	Verification	District Level Committee	31.01.2023
6.	Submission of certified list of farmers eligible for Special Incentive	District Level Committee	15.02.2023
7.	Transfer of Special Incentive	Commissioner of Sugar	15.03.2023
8.	Submission of Utilization Certificate	District Level Committee	15.08.2023

b) Certification by District Level Committee

The Office of Commissioner of Sugar in consultation with the Government Data Centre 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 to process. The list of farmers 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.

c) 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.

Survey Number verification through Application Programming Interface in Tamil Nilam Software should be done at Department of Sugar for name verification and extent verification (next year onwards adangal entries also be verified).

For suspected / referred cases, the District Level Committee must do field visit and the inspection details be captured (i.e. GIS location of the field). The constitution of the Committee is as follows:-

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

d) Transfer of Special Incentive

The list of farmers found eligible by District Committee shall be displayed 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 Co-operative 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.

e) 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.

C.SAMAYAMOORTHY
AGRICULTURAL PRODUCTION COMMISSIONER
AND SECRETARY TO GOVERNMENT

//True copy//

23/11/22
 SECTION OFFICER