

(To be published in Part-I- Section I of the Gazette of India, Extraordinary)

MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION

(Department of Food and Public Distribution)

NOTIFICATION

New Delhi, the 2nd December, 2015

No. 20(43)/2015-S.P.-I --The Central Government, with a view to offset the cost of cane and facilitate timely payment of cane price dues of farmers for sugar season 2015-16, hereby notifies the scheme for extending production subsidy to sugar mills as under:

1. Purpose of subsidy:

The production subsidy is to be used for payment of cane price dues of the current sugar season 2015-16 relating to the Fair and Remunerative Price (FRP) of sugarcane fixed by the Central Government for that sugar season and cane price arrears of previous sugar seasons.

2. Modalities and Extent of subsidy:


i. A production subsidy @ of Rs. 4,50 per quintal of cane crushed for the production of sugar shall be provided to offset the cost of cane purchased by the sugar mills. The sugar mills shall be entitled for the production subsidy as per actual cane crushed during 2015-16 sugar season or the proportionate inter-se allocation of estimated 255 million MT of cane crushed (for sugar season 2015-16) on the basis of their average sugar production of last three sugar seasons, whichever is lower. A new sugar mill which has commenced cane crushing for the first time in 2015-16 sugar season, shall be entitled for production subsidy on the basis of actual cane crushed.

ii. The said subsidy shall be paid directly to the farmers on behalf of the mills and be adjusted against the cane price payable due to the farmers against FRP including arrears relating to previous years. Subsequent balance, if any, shall be

viii. The expenditure on production subsidy would be met from Sugar Development Fund (SDF).

3. **Utilization certificate:** The sugar mill concerned shall submit utilization certificate duly counter-signed by the respective sugar/cane commissioner within three months from the date of release of production subsidy certifying that the production subsidy has been utilized for the purpose specified in this scheme. Any failure to submit the utilization certificate of earlier instalment within stipulated time would debar the mill from availing subsequent instalment of subsidy and action would be initiated for recovery of amounts already released.
4. The DFPD shall closely monitor the prices of sugar, both in domestic as well as global markets on monthly basis. In case prices are assessed to be substantially higher than levels required for operational viability of the industry, the scheme may be amended or withdrawn.
5. Where the Central Government is of the opinion that it is necessary or expedient so to do, it may, by order and for reasons to be recorded in writing relax any of the provisions of this scheme.

[F. No.20 (43)/2015-S.P.-I]


Prashant Trivedi, Joint Secretary