

III. To be considered

15.0 Environment Protection Fee

15.1 With a view to finding an additional means to increase the producers' revenue to further bridge the gap between the revenue and viability price, the JTC has identified another source of funding that could be tapped and channelled to the sector as a support measure. An Environment Protection Fee to the tune of around Rs 400M is being collected every year by Government to fund specific projects aimed at the protection of the environment. Considering that sugar cane is by far the most important carbon sequestrator of all cultivated plants and a major protector and preserver of the environment, the JTC is of the view that 50% of this income i.e. Rs200M could be redirected to support the positive environmental role played by the sugar sector.

15.2 Moreover, considering that the milling side is also severely affected by the price crisis and that no industry will exist in case of no viable milling companies, the JTC recommends that 50% of the fund, i.e. Rs 100 M. be directed to accompany the millers and the balance equally shared amongst planters. This will ensure an additional revenue of **Rs 363 /t sugar and Rs 1,300/ t sugar** to cane planters and millers respectively.

16.0 Increase in bottlers / distillers' contribution

16.1 It is to be noted that an increase of bottlers/distillers' contribution from Rs 40 per litre to Rs 60 per litre in forthcoming budget 2018 increases the net revenue to producers by **Rs 200 / t sugar**. The matter has been discussed at the level of the JTC but no decision has been taken on this proposal.

17.0 Diesel Support Scheme

17.1 The sugar sector through the activities of land preparation, cutting, loading and transport of cane uses annually 12M Litres of diesel (Gas oil). According to the price structure of Gas Oil of the State Trading Corporation, Rs 12,27 /L sold on the local market for excise duty and VAT is collected. This represents a contribution of Rs 147M from the producers.

17.2 All sugar producers categories contribute to this income generation: agricultural services and planters directly by purchasing diesel or contracting transport, millers by the 'over four mile' contribution. Therefore based on total sugar production 350,000t, the equal sharing of this sum could be proposed as a subsidy to all producers categories.