

plants and a major protector and preserver of the environment, the JTC is of the view that 50% of this income i.e. Rs200M should be redirected to support the positive environmental role played by the sugar sector.

Moreover, considering that the milling side is also severely affected by the price crisis and that no industry will exist in case milling activities are not viable, the JTC recommends that 50% of the Rs200M, i.e. Rs 100 M be utilised to accompany the millers and the balance equally shared amongst planters. This will ensure additional revenues of Rs365 /t sugar and Rs1,300 / t sugar to cane planters and millers respectively.

- (xii) **Increase Distillers'/Bottlers' Fee Contribution** from Rs40 to Rs 60 / L of potable alcohol made from cane or cane products whether manufactured locally or imported (estimated benefit of Rs 200 / t sugar);
- (xiii) **A diesel support** to the sector for activities of land preparation, cutting, loading and transport of cane, which consume a significant volume of diesel (gas oil). It is estimated that the industry pays annually some Rs 148M as excise duty and VAT on this product. The JTC recommends that the excise duty and VAT paid by the industry be refunded equally to all producers and millers in order to enable them to decrease their production costs. This represents some Rs 420 / t sugar.
- (xiv) **Review of the operations of the MCIA**, where the latter needs to play a pivotal role in providing the industry the necessary support and services. There is need to review and reengineer the operations of the MCIA as well as to make provision of adequate resources to fulfil its objectives.
- (xv) **Regional research avenues on new cane varieties** by MCIA / MSIRI to improve cane varieties with a view to increase productivity in terms of sucrose content and cane biomass thereby increasing the revenue stream to producers;
- (xvi) **To review the future mandate of SIFB** to consider the possibility for producers to be insured against both climatic and economic risks;
- (xvii) **Land abandonment and land conversion tax.** Consideration could be given to raise the land conversion tax in Twelfth Schedule to SIE Act from Rs 3.5 M to Rs 5.5 M per hectare to curb down land