

Decisions taken by Union Cabinet

- **Cabinet approves creation of buffer stock of 40 LMT of sugar for a period of one year from 1st August 2019 to 31st July 2020**

The Cabinet Committee on Economic Affairs (CCEA) chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the following proposals:

- a) Creation of buffer stock of 40 lakh metric tonnes (LMT) of sugar for one year and to incur estimated maximum expenditure of Rs.1674 crores for this purpose. However, based on the market price and availability of sugar, this may be reviewed by the Department of Food and Public Distribution any time for withdrawal / modification.
- b) The reimbursement under the scheme would be met on quarterly basis to sugar mills which would be directly credited into farmers' account on behalf of mills against cane price dues and subsequent balance, if any, would be credited to the mill's account.

Benefits: The decisions will lead to:

- a) improvement in the liquidity of sugar mills;
- b) reduction in sugar inventories;
- c) stabilization in sugar prices by alleviating of price sentiments in domestic sugar market and thereby facilitate timely clearance of cane price dues of farmers; and
- d) benefits for sugar mills in all sugarcane producing States, by way of clearing sugarcane price arrears of sugar mills

- **Cabinet approves Determination of 'Fair and Remunerative Price' of sugarcane payable by sugar mills for 2019-20 sugar season**

The Cabinet Committee on Economic Affairs (CCEA) chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the proposal in respect of Determination of 'Fair and Remunerative

Price' of sugarcane payable by sugar mills for 2019-20 sugar season.

The FRP is based on the recommendation of the Commission of Agricultural Costs & Prices (CACP) as per its report of August 2018 on the price policy for sugarcane for the 2019-20 season. The CACP has recommended the same price for the 2019-20 sugar season as it was for the sugar season 2018-19.

The CCEA also approved to provide a premium of Rs. 2.75 per qtl for every 0.1% increase above 10% in the recovery;

Benefits: The approval will ensure a guaranteed price to cane growers. The 'FRP' of sugarcane is determined under Sugarcane (Control) Order, 1966. This will be uniformly applicable all over the country. Determination of FRP will be in the interest of sugarcane growers keeping in view their entitlement to a fair and remunerative price for their produce.

- **Cabinet approves sale of 481.79 acres of land held by FACT to the Government of Kerala and utilization of the sale proceeds by FACT**

The Union Cabinet chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the following proposals:

- a) Sale of 481.79 acres of land held by the Fertilizers and Chemicals Travancore Ltd. (FACT) to the Govt. of Kerala in the following manner:
 - o 150 acres of land at the rate of Rs. 1 crore per acre (in lieu, Govt. of Kerala agreed to give free-hold right over 143.22 acres of land to FACT); and
 - o Remaining 331.79 acres @ Rs. 2.4758 crore per acre as assessed by the District Collector of Ernakulam
- b) Utilization of the sale proceeds by FACT to address working capital deficiency, improvement of balance sheet and enabling the company to enhance physical and financial performance by implementing capacity expansion projects for sustainable growth of the company.

Major Impact: This approval will help FACT to reduce the bank borrowings and to implement projects for enhancing fertilizer production capacity and upgrading logistics / raw material handling facilities.

Benefits: The revival of FACT will create opportunities for expansion and diversification of the company and this in turn, will help to generate more jobs, both directly and indirectly. The net

effect of this will be a boost to the economy of the State of Kerala and improving fertilizer availability to South India. Reduction of dependence on import of fertilizers and chemicals will facilitate resultant savings in foreign exchange to the country and also improve fertilizers and food security. Through inclusion of fixed timelines for monitoring the implementation of the sale of land, the accountability of the management in achieving performance after the sale of land will be ensured. The unit has already switched over to cleaner LNG as feedstock and fuel, which will improve its energy efficiency and environmental friendliness.

- **Cabinet approves merger / amalgamation of National Institute of Miners' Health with ICMR-National Institute of Occupational Health**

The Union Cabinet, chaired by the Hon'ble Prime Minister Shri Narendra Modi has approved to dissolve National Institute of Miners' Health (NIMH), an autonomous Institute under Ministry of Mines (MoM) and merge / amalgamate with ICMR-National Institute of Occupational Health (NIOH), Ahmedabad, Ministry of Health & Family Welfare (MoH&FW) with all assets and liabilities; and absorb all the employees of NIMH in NIOH in the similar post/pay scale as the case may be and their pay be protected. NIMH, ICMR, NIOH, MoM and Department of Health Research (DHR), MoH&FW to take actions required for effecting dissolution and merger/amalgamation of NIMH with NIOH.

Impact: The merger / amalgamation of NIMH with NIOH will prove beneficial to both the Institutes in term of enhanced expertise in the field of occupational health besides the efficient management of public money.

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Regards,

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