NEWS FLASH –22nd September, 2016

SUGAR

Sugar futures down 0.22% on profit-booking

Sugar prices were down by 0.22 per cent to Rs 3,590 per quintal in futures trade today as traders booked profits at prevailing levels amid easing demand in the spot market.

At the National Commodity and Derivatives Exchange, sugar for delivery in October month fell by Rs 8, or 0.22 per cent to Rs 3,590 per quintal with an open interest of 12,240 lots.

Likewise, the sweetener for delivery in December contracts declined by Rs 4, or 0.11 per cent to Rs 3,703 per quintal in 14,980 lots.

Analysts said, besides profit-booking by participants at existing levels, fall in demand in the spot market against adequate stocks position mainly led to decline in sugar prices at futures trade.

(Source- http://sugarnews.in/sugar-futures-down-0-22-on-profit-booking/, published on 21st September, 2016)

Sugar millgate prices down on increased arrivals

Select sugar millgate prices softened by up to Rs 20 per quintal at the wholesale market in the national capital today, dragged down by constant supplies from mills amid scattered buying by stockists and bulk consumers.

Elsewhere sugar spot prices were well maintained at overnight levels on some support.

Marketmen said the decline in sweetener prices was attributed to persistent supplies from mills amid limited offtake by stockists and bulk consumers.

In the millgate section, sugar baghpat, dhanora, morna and ramala all lost Rs 20 each to conclude at Rs 3,600, Rs 3,640, Rs 3,600 and Rs 3,580 per quintal.

Prices of Dorala, Khatuli, Anupshaher, Sakoti, chandpur and Nazibabad also eased by Rs 10 each to Rs 3,680, Rs 3,780, Rs 3,590, Rs 3,650, Rs 3,630 and Rs 3,600 per quintal respectively.

Following are today's quotations (in Rs per quintal)

Sugar retail markets - Rs 40.00-45.00 per kg.

Sugar ready: M-30 Rs 3,950-4,150, S-30 Rs 3,940-4,140.

Mill delivery: M-30 Rs 3,600-3,810, S-30 Rs 3,590-3,800.

Sugar millgate (including duty): Mawana Rs 3,710, Kinnoni Rs 3,810, Asmoli Rs 3,750, Dorala Rs 3,680, Budhana Rs N.T., Thanabhavan Rs N.T., Dhanora Rs 3,640, Simbholi Rs 3,800, Khatuli Rs 3,780, Dhampur Rs 3,630, Ramala Rs 3,580, Anupshaher Rs 3,590, Baghpat Rs 3,600, Morna Rs 3,600, Sakoti Rs 3,650, Chandpur Rs 3,630, Nazibabad Rs 3,600 and Malakpur Rs N.T

(Source- http://timesofindia.indiatimes.com/city/delhi/Sugar-millgate-prices-down-on-increased-arrivals/articleshow/54443566.cms, published on 21st September, 2016)

It's just not worth being a cane-grower

I am a farmer in a part of the country where the soil is fertile, water is plentiful and infrastructure very good indeed. There is a sugar mill less than a kilometre from my farm.

After growing cane for this factory for twenty years, I have given up on the crop. The factory has not bothered to ask why. I would have expected them to be curious because they had celebrated me just the year before as the best farmer in my area. I raised the maximum tonnage per acre.

When your best farmer turns his back on cane, you must wonder why. They seemed not to care.

Why don't they care?

They don't have to care because every sugar mill in this country is a monopoly. I can supply cane to this factory and to no other. I can sell my cane to a trader who will turn it into jaggery, but not to another factory. That is the law. The factory treats me as any monopoly would. If you had travelled by Indian Airlines before the advent of private carriers or had a phone connection before telecom was opened up, you would understand what I mean.

The true author of the muddle is the Government. After creating the zoning system that places farmers at the mercy of sugar mills, they have pursued two ends (and this holds for all governments, Centre and States).

The first is vote-bank politics. The price for cane is announced every year with a keen eye on impending political events, especially elections. The price is kept high, sometimes unrealistically so. The sugar mills demur, but they cannot force a rollback.

The second consideration is the price the urban consumer pays for sugar. This cannot be allowed to rise, for obvious political reasons. By prescribing the price at which cane has to be bought and controlling the price at which sugar can be sold, the Government has both ends of the sugar business sewn up.

The mills have to make money within this hugely controlled space. They try to make a killing when there is a shortage of sugar, but the Government will play spoilsport by lowering duties and bringing in imports. The mills want to take advantage of high international prices, but the Government would ban exports to hold domestic prices steady. The mills want to hold on to stocks of refined sugar if they expect the price to move up, but the Government would step in to limit the stock they can hold.

Passing on the problem

Caught in this cleft, the mills pass on as much of the problem to the farmer as is possible. He is the weakest link in the sugar chain. They refuse to pay him for his produce. I have made endless trips to the factory to be told that there is no money.

Cane arrears have been a fact of life for as long as I have been a cane farmer. There is no knowing when the money will come, and sometimes you wonder whether it will come at all. It could be months or years. When it does come, it may only be part payment. High cane prices promised by the Government are at their least automatic when it comes to settling the farmer's dues. It is not anyone's business to ensure that what is promised is actually delivered.

Cane is a one-year crop. The farmer is anxious to have his cane harvested on time because that is when he gets the best weight. But he cannot load it on to his tractor and turn up at the mill gate. The mill must issue the 'cutting order', which it does to suit its convenience.

The mill doesn't want a build-up in sugar inventory when the market is bad, which means this will delay the harvest until fourteen or even sixteen months. The farmer must water and protect a crop that is losing value. If the market is good or if there is a shortage of cane, they may want your crop after only ten months although it is not fully grown. It is all in their hands, and you have no say.

Expensive and old-fashioned

Cane is an expensive crop to raise. It guzzles water, needs frequent application of fertiliser, and demands expensive weeding to make sure that these inputs reach the crop and not the weeds. All costs have gone up, but the most daunting of all is harvesting. Just this one operation can cost as much as a third of the total revenue. Cane is harvested exactly as it was fifty years ago. There is no mechanisation. Harvesting is done on contract by a maistry who organises the labour force. Since there is a shortage of labour and the farmer cannot put together a labour force on his own, it is the maistry who dictates the price and the harvesting schedule. He can make dizzying demands, and he could very well stop harvesting midway and move to another job that is more lucrative.

With sugarcane, it is Murphy's law all the way: what can go wrong will go wrong!

The farmer is worse than powerless in the face of these odds. He can still grow cane for the jaggery trader, but that is like playing Russian roulette. The price of jaggery can swing wildly. When times are bad, you are lucky to find any buyer at all, never mind the price.

Freedom calls

If the farmer must stay with sugarcane, he must have at the minimum the freedom to sell his cane to any factory. That does not seem to be in the offing.

Our rulers are infatuated with monopolies. Handing over the citizen at every turn to a monopoly, we have been told, is at the heart of planned development. The Planning Commission is fortunately no more, but monopolies survive.

The writer is a labour relations and HR consultant.

(Source- http://sugarnews.in/its-just-not-worth-being-a-cane-grower/,published on 21st September, 2016)

Co-gen/Power

Indian government plans to phase out aged coal-based plants: source

The Indian government is planning to phase out coal-based power plants that are more than 25 years old and are inefficient in order to reduce carbon emissions, a Central Electricity Authority (CEA) source said Tuesday.

Power plants with capacity of around 30,000 MW that burn around 100 million mt/year of coal are likely to be retired in a phased manner, the source said.

A committee has been formed that will hold consultations with state governments and will formulate a list by December of the plants that need to be closed down, he said.

The Ministry of Environment, Forest and Climate Change recently issued new emission regulations for coal-based power plants, which will become effective from January 1, 2017.

(Source- http://indianpowersector.com/2016/09/indian-government-plans-to-phase-out-aged-coal-based-plants-source/, published on 21st September, 2016)

Adani dedicates to nation world's largest solar power plant in TN

Adani Green Energy (Tamil Nadu) Ltd, part of the Adani Group, on Wednesday said it has dedicated to the nation the world's largest solar power plant of 648 megawatts (MW), set up at Kamuthi in Ramanathapuram district of Tamil Nadu.

The plant has been set up with an investment of around Rs. 4,550 crore, a company spokesman said here.

It is part of the state government's target to generate 3,000 MW in line with its new solar energy policy unveiled in 2012. The company sourced equipment and machinery from various parts of the world to set up the 648 MW capacity within a record time of 8 months.

Around 8,500 personnel worked to average about 11 MW of installation in a day, to set up the plant in the stipulated time, Gautam Adani, Chairman, Adani Group, which has revenues of $10 billion, added.

A plant of this magnitude reinstates the country's ambitions of becoming one of the leading green energy producers in the world. He expressed gratitude to the Chief Minister and the government of Tamil Nadu for their support and guidance in achieving this feat.

(Source- http://indianpowersector.com/2016/09/adani-dedicates-to-nation-worlds-largest-solar-power-plant-in-tn/, published on 21st September, 2016)

Attractive incentives for takers of solar energy

The New and Renewable Energy Development Corporation of Andhra Pradesh (NREDCAP) has set on the task of mobilising user agencies in domestic, commercial, industrial and government buildings for installation of solar power panels.

Chief Minister N. Chandrababu Naidu is keen that the government offices take the lead in tapping the solar power that can become the game-changer in the power scenario.

An energy audit of government offices in West Godavari district had revealed that around 50 per cent of the energy could be saved if these offices opted for solar power. After this, the NREDCAP officials embarked on the task of persuading government offices, from panchayat-level to the State-level, to have solar panels installed.

To provide impetus to its Grid-Connected Rooftop and Small Solar Power Plants Programme, the Union Ministry of New and Renewable Energy has scaled up the budget from Rs. 600 crore during the 12th Five Year Plan to Rs. 5,000 crore for implementation over a period of five years up to 2019-20 under the National Solar Mission.

(Source- http://indianpowersector.com/2016/09/attractive-incentives-for-takers-of-solar-energy/, published on 21st September, 2016)

APERC signs MoU under UDAY to power Discom

Andhra Pradesh Electricity Regulatory Commission (APERC) chairman Justice Bhavani Prasad said that power distribution companies in the state had signed an MoU under the Ujwal Discom Assurance Yojana (UDAY) for financial turnaround of the Discoms. He said that it was a positive step taken by the State towards supporting distribution companies.

In February, the APERC with a view to revamp the system of Consumer Grievances Redressal in the electricity sector issued a new consolidated regulation called Andhra Pradesh Electricity Regulatory Commission Consumer Grievances Redressal Forum (CGRF), Vidyuth Ombudsman and Consumer Assistance Regulation, 2016. As part of that regulation, balance in composition and greater independence was achieved in Consumer Grievances Redressal Forums (CGRFs) that are set up by the distribution companies, licencees by appointment of chairperson from judicial background and independent member from reputed NGOs and two members __ one technical and one from finance wings from Discoms, the chairman explained.

(Source- http://www.newindianexpress.com/states/andhra_pradesh/APERC-signs-MoU-under-UDAY-to-power-Discom/2016/09/21/article3625872.ece, published on 21st September, 2016)

Suzlon to work on hybrid wind-solar model soon

Wind energy firm Suzlon will start working on its plans for a hybrid wind-solar model next year, a senior company executive said. This is the company's first step in working towards an integrated model where wind, solar and storage batteries will be a part of the same renewable energy eco-system.

"It is not about wind versus solar, but wind and solar. We are enthusiastic about solar and will start our research next year," Duncan Koerbel, CTO, Suzlon Group told ET. "Suzlon is uniquely positioned in India where we already have a wind park, and it makes sense to put a solar panel park next to that and connect it to the same grid," he said.

The company has a team of 2,500 people in operations management across India who could oversee this and find a balance between wind and solar power, depending on the conditions at any given time.

Similarly, with battery storage at the same location, it could hypothetically tap into the energy stored in the batteries and use it to provide power and create a renewable ecosystem that balances wind, solar and battery storage.

"We are working on the plan, will see the first steps at R&D level next year. It's hard to say when we'd see something in the market as that would depend on our clients and the utilities that buy the power," said Koerbel.

Suzlon chairman Tulsi Tanti has set his team an ambitious goal of installing 15 GW of power over the next five years, almost at par with what it's done in its first 20 years. Suzlon estimates there is potential to unlock 300 GW of wind energy in India.

At present, Koerbel's focus is improving the efficiency of wind turbines to reduce the levelised cost of energy by 20 per cent over the next five years. The strategy is built on four pillars - improving aerodynamics and rotor size, taller towers, smarter pitch control and integrated wind control.

Suzlon has created a hybrid tower structure, which will allow it to increase the tower size from the current average of 88 m to over 120 m.

The wind has more energy at higher levels and this will permit the company to generate more energy from the same turbines .

(Source- http://economictimes.indiatimes.com/industry/energy/power/suzlon-to-work-on-hybrid-wind-solar-model-soon/articleshow/54439600.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst, publisbhed on 21st September, 2016)

Decision on power failure compensation in 10 days

The residents of three housing societies of Baner and Balewadi on Saturday attended the first hearing of their claims for compensation against the prolonged power outage in their area in July.

The citizens have been assured of a decision within 10 days, on the basis of a report of the company's internal committee on the matter.

Representatives from Eves Garden, Elite Empire and Gateway Society were present in the meeting held in the office of the Internal Grievance Redressal Cell of Maharashtra State Electricity Distribution Company Limited (MSEDCL). The residents demanded a monetary compensation for the outage between July 2-5, also highlighting the problem of frequent power cuts and voltage fluctuations in their area.

The citizens hope to be compensated as per the rules in the 'standard of performace' document laid down for the distribution company by the Maharashra Electricity Regulatory Commission in 2014. According to it, monetary fund is to be provided at Rs50 per hour, after four standard hours allowed for repairs in case of a fuse off, six hours in cases of overhead wireline problems, 18 hours in case of an underground cable fault, and 24 hours for a transformer malfunction.

In July, more than 30 residential housing societies, commercial establishments and offices in Baner and Balewadi had suffered power outages for as long as 60 hours, mainly because of seepage in underground cables and localized transformer blasts. Some citizens lost their electrical appliances, tubelights and bulbs to voltage fluctuation.

(Source-http://timesofindia.indiatimes.com/city/pune/Decision-on-power-failure-compensation-in-10-days/articleshow/54418056.cms, published on 20th September, 2016)

Many people still without electricity in India, power cuts common: report

Even though government data show slowing power deficit and a surplus situation in the country, a large population is still without electricity and power cuts are part of daily life, says a report.

According to clean energy consultant Mercom Capital Group's latest report, the power deficit numbers in India do not paint the full picture.

"….large populations in India are still without electricity and power cuts are still part of daily life in urban areas and more so in rural areas," the report 'India Solar Quarterly Market Update' said.

"The reduction in the power deficit we are seeing is largely due to a combination of a drop in power demand in the commercial and industrial sector, and the financial health of discoms," it added.

Falling demand has led to record low prices on the power exchanges, it said.

According to Central Electricity Authority (CEA), plant load factors have fallen by 20-30 per cent due to the drop in power usage from commercial and industrial customers, a major source of revenue for discoms.

(Source- http://indianpowersector.com/2016/09/many-people-still-without-electricity-in-india-power-cuts-common-report/, published on 21st September, 2016)

Quote of the day

'One way to get the most out of life is to look upon it as an adventure.' - William Feather