NEWS FLASH – 29th March, 2016

SUGAR

No Water For Crops In Karnataka's Sugarcane Belt

Usually, the fertile sugarcane belt of Mandya is a feast for the eyes with green sugarcane and brilliant green paddy. But water scarcity this year means that it was not worth planting much of the January paddy – and the farmers who went ahead with sugarcane are watching their crops dry in the field.

The Srirangapatna and Pandavapura region, close to the river Cauvery, usually produce about 10 to 12 lakh tonnes of sugarcane in a year. Not this year, though.

Nanjunde Gowda, Secretary, Raitha Sangha told NDTV, "There is no paddy at all. Sugarcane has been affected. I don't remember ever seeing the land empty like this. The KRS dam is just about 15 km away and this area has a history has a 150 year history of irrigation. But this year the situation is so bad."

The authorities are preserving the water in the Krishnarajasagara or KRS dam for drinking purposes and warned the farmers not to plant sugarcane as irrigation water would not be released. Farmers ask – what was the alternative?

Many went ahead and planted sugarcane. An acre of land that would usually produce about 50 tonnes of sugarcane is this year producing about 20 tonnes. Farmers are cutting and selling the drying crop for what they can get.

Borewells are also being sunk – earlier not so common in this traditionally irrigated area.

One farmer sinking a borewell, Kumar, told, "We have to go to 300 feet – even though the river is so close by – but still we have to go so deep. It shows how serious the problem is."

(Source- http://sugarnews.in/no-water-for-crops-in-karnatakas-sugarcane-belt/)

Technology should easily reach growers and sugar mills

Siddeshwar Swami of Jnanayogashram, Vijayapura, has said that new technologies in agriculture must not only reach farmers but also should be affordable.

The swami was at the S. Nijalingappa Sugar Institute on Wednesday to inaugurate tissue-cultured sugarcane seedlings developed under natural environment conditions.

He said that innovations in science and technology should easily reach growers and sugar mills. Modern technologies should be farmer-friendly and help boost farm productivity.

Specific technologies for sugarcane sector should not only boost farm productivity but also improve financial conditions of growers, a press release issued by SNSI director R.B. Khandagave said on Saturday.

Dr. Khandagave said that experiments at the laboratory were aimed at creating healthy seeds of improved varieties of sugarcane; faster perpetuation of newly released sugarcane varieties in a short time; and improving sugarcane yield and sugar recovery.

He said that adoption of this technology would help maintain genetic and physiological purity of sugarcane varieties. The efforts would help sugarcane growers and sugar industry grow on sustainable basis.

The process of production of sugarcane tissue-cultured seedlings by using the variety Co 86032 was under process.

Dr. Khandagave said that varieties of sugarcane were being developed at the Zadshahapur centre of the institute on Belagavi-Khanapur Road in collaboration with the premier Sugarcane Breeding Institute, Coimbatore in Tamil Nadu.

The important varieties viz., Co 2012-238, Co 2012-88, Co 14010, Co 2012-91, Co SNK 07337 and Co 2012-147 were giving high yield and sugar recovery compared to ruling varieties.

(Source-http://sugarnews.in/technology-should-easily-reach-growers-and-sugar-mills/)

Sugar prices get boost from rising global deficit

What did encourage the sugar bulls to finally overcome the last key technical resistance level of 15 cents a pound for raw sugar? The three-month price of raws at 16 cents is at a multi-month high. Sugar futures hit a seven-year low at 11.2 cents a pound in August, plunging the sector worldwide into a crisis.

"Two developments will principally explain why prices of sugar, source of livelihood for millions in growing countries across the world, which fell out of market favour for long, should continue to trend higher in the coming days. First, research agencies have all revised upwards the global deficit - that is, production trailing consumption - for the current season ending in September 2016. Second, the world's largest producer and exporter, Brazil, is spiriting away increasingly larger volumes of cane juice from the sweetener to ethanol as its currency (real) continues to appreciate," says Indian Sugar Mills Association (Isma) former president Om Dhanuka. Agroconsult of Brazil says of an estimated 622 million tonnes (mt) of cane to be crushed in the country's centre-south region in the coming season starting next month, the share of ethanol will be 58.3 per cent and of sugar, 41.7 per cent.

According to the consultancy, rains in the past few months have largely compensated the earlier El Niño effect on cane plant growth. Some other agencies, however, maintain extended rains will delay the start of cane crushing by most factories in 2016-17.

The El Niño phenomenon has not spared the world's second largest producer India and Thailand either. Against last season's very high production of 28.31 mt, output is likely to shrink to 25.5 mt or even less this time. Lack of rain during the south-west monsoon was particularly acute in Maharashtra, a leading producer.

"As drought has shrivelled, cane crop in Thailand, the country will be producing about 10 mt in the current season, 14 per cent less than the earlier estimate of 11.6 mt," says Dhanuka.

International Sugar Organization has now pegged world production shortfall at 5.02 mt, up from 3.5 mt in November 2015. It says "a statistical deficit is clearly supportive for world prices" moving generally higher in the remaining months of the 2015-16 season. While Rabobank confirms that the deficit will be bigger than its earlier estimate of 4.7 mt, some agencies are putting the shortfall at up to seven mt, spurring bullish sentiment.

In step with rises in world prices, the Indian sector, under growing pressure to settle cane dues of Rs 15,500 crore and service bank loans, is mercifully meeting with steadily improving ex-factory rates. May futures contracts on the National Commodity and Derivatives Exchange are Rs 3,430 a quintal.

Isma president Tarun Sawhney attributes better price realisations to revised lower sugar production during 2015-16, expectation of reduced plantings for the season to start in October and the sector's "good response" to the government's export quota programme. Whether or not factories manage to break even while selling in the world market, they must make every attempt to achieve the sector's export target of 3.2 mt. The Prime Minister's Office, Maharashtra and a few other states have held out punitive steps such as buying unfulfilled export quota as levy sugar at discounted prices and linking sugarcane purchase tax exemption to export quota fulfilment.

At likely exports of two mt, the shortfall over the industry target will be quite large. But, the overhang of a large inventory, a cause of keeping local prices down, will get shaved to the extent of exports. The industry began the current season with stocks of close to nine mt. Now, a combination of exports and drought-related production fall will leave factories with stocks of 7.9 mt at September-end. Parched conditions in many cane-growing centres in Maharashtra and north Karnataka will keep supply of the crop down for the next season. Even while cane supplies are set to improve in Tamil Nadu, where the crop found succour in plentiful rains in November-December and in Uttar Pradesh, the country mightface a further fall in sugar output to 22.5 mt in 2016-17. Sawhney says the shortfall in cane production will inevitably result in competition among factories in many states to get supplies. That's a sure recipe for farmers to bring more land under cane, leading to bumper sugar production in future. Ahead of that, the sector's health needs attention.

(Source-http://www.business-standard.com/article/markets/sugar-prices-get-boost-from-rising-global-deficit-116032900005_1.html)

CO-GEN/ POWER

New transformers may lead to flexible energy storage systems

Scientists have developed a way to make a magnetic material that may lead to smaller, lighter high-frequency transformers, needed for more flexible energy storage systems and widespread adoption of renewable energy.

Transportable energy storage and power conversion systems, which can fit inside a single semi-trailer, could make it cost effective to rapidly install solar, wind and geothermal energy systems in even the most remote locations.

"Such modular systems could be deployed quickly to multiple sites with much less assembly and validation time," said Todd Monson, researcher at Sandia National Laboratories in US.

Sandia manufactures iron nitride powders by ball-milling iron powders in liquid nitrogen and then ammonia. The iron nitride powders are then consolidated through a low-temperature field-assisted sintering technique (FAST) that forms a solid material from loose powders through the application of heat and sometimes pressure.

The FAST manufacturing method enables the creation of transformer cores from raw starting materials in minutes, without decomposing the required iron nitrides, as could happen at the higher temperatures used in conventional sintering.

Monson said using this method could make transformers up to 10 times smaller than they are currently.

"FAST enables the net-shaping of parts, meaning that iron nitride powders can be sintered directly into perfectly sized parts, such as transformer cores, which don't require any machining," Monson said.

Due to its magnetic properties, iron nitride transformers can be made much more compact and lighter than traditional transformers, with better power-handling capability and greater efficiency.

They will require only air cooling, another important space saver. Iron nitride also could serve as a more robust, high-performance transformer core material across the nation's electrical grid.

So far, researchers have demonstrated the fabrication of iron nitride transformer cores with good physical and magnetic characteristics and are refining their process and preparing to test the transformers in power-conversion test beds.

"Advanced magnetic materials are critical for next-generation power conversion systems that use high-frequency linked converters, and can complement Sandia efforts in ultra-

wide bandgap device materials for improved power electronics systems," said Stan Atcitty from Sandia.

"They can withstand higher frequencies and higher temperatures, which ultimately result in high power density designs," Atcitty said.

(Source-http://www.livemint.com/Industry/htmNcx3c2nxqU9t6Q6iXgO/Will-Piyush-Goyals-power-play-revive-the-ailing-sector.html)

MCL's Rs 337 crore project in Odisha runs into green hurdle

The Centre's green panel has deferred its decision on granting environment clearance to Mahanadi Coalfields Ltd (MCL) for a Rs 336.9 crore coal washery project in Odisha in view of strong objections raised by Jharsuguda-based villagers.

MCL, a subsidiary of state-run Coal India Ltd (CIL), has sought environment clearance for setting up of a coal washery of 10 million tonnes per annum capacity in an area of 39.35 hectare in Chharla village in Jharsuguda district, Odisha.

In the recent meeting, the Expert Appraisal Committee (EAC) of the Union Environment Ministry examined the MCL's proposal. Normally, the ministry gives final green clearance on the projects based on the recommendations of the EAC.

"After the detailed deliberation, the EAC deferred the decision on the MCL's proposal in view of strong objections of villages and in the absence of any base line data beyond core zone and prediction of emission for buffer zone," a senior government official said.

He said the public hearing conducted by the company on February 16 of this year was "incomplete" as almost everybody had left meeting in protest. Nine speakers in the meeting spoke against the coal washery project.

"Even the public hearing report submitted to the ministry also states that the participants left before the conclusion of the meeting," the official added.

Taking into account the strong objections to the proposed project, the official said: "The EAC recommended the Union Environment Ministry may take up the issue of adequacy or otherwise of the public hearing with the state government authorities."

(Source-http://indianpowersector.com/2016/03/mcls-rs-337-crore-project-in-odisha-runs-into-green-hurdle/)

State governments make it tough for private cmpanies to bag parallel power licences

Parallel power licences were allowed under the Electricity Act of 2013 but getting them isn't easy with state governments appearing to regard applicants as competition for their own utilities.

Parallel power licences were allowed under the Electricity Act of 2013 but getting them isn't easy with state governments appearing to regard applicants as competition for their own utilities, say private operators.

Such permits allow power companies to distribute electricity to consumers seeking an alternative to the utility that's licensed to service the area. Depending on expertise and subject to approval, private power companies can distribute power and usually at a lower cost than state utilities as their aggregate technical and commercial losses are less. In this regard, private firms have been targeting industrial consumers the bulk customers who contribute a majority of revenue and typically subsidise household consumption.

"Private players applying for distribution licences have turned out to be major potential competitors to state distribution companies which have been reeling under financial stress," a senior power sector official said. "Under such circumstances, if the premium customers are taken away, the utilities will have to rework their subsidy pattern as bulk customers in most cases subsidise retail consumers."

India Power is seeking to enter retail power distribution in the industrial hubs of East Midnapore in West Bengal and Gurgaon. That makes it a possible rival to the government-owned power distribution companies in those states.

The application for Gurgaon was rejected by Haryana Electricity Regulatory Commission (HERC), prompting the company to move the appellate tribunal. Its application for East Midnapore has been up for public hearing a number of times, a final decision is yet to be taken. "We had applied for Gurgaon on January 9, 2014, while for East Midnapore it was November 30, 2015," said Hemant Kanoria, chairman, India Power.

Applications for parallel licences are submitted to the state electricity regulatory commissions, members of which are selected by the state governments, said Arvind Mahajan, head of infrastructure and government services at KPMG.

"A possibility of regulators getting influenced in favour of the state utility cannot be totally ruled out," Kanoria said. "At present, power regulators in different states are at different levels of maturity although Bengal is at higher level of maturity than many other states."

The concept of parallel licences seems to be flawed, Mahajan said. "Under the present set of norms, the licensee would have to lay separate power lines to connect consumers," he

said. "However, since there is already a set of such lines laid by the (existing) distribution company, laying another set of wires to home would lead to sub-optimal usage of infrastructure."

In the recent past, private units of DLF and the Essar Group have had to shelve parallel distribution plans in Haryana. JSPL has received a parallel licence for an area near Raipur and Torrent has one for the Dahej special economic zone (SEZ) as co-developer.

(Source-http://energy.economictimes.indiatimes.com/news/power/state-governments-make-it-tough-for-private-cmpanies-to-bag-parallel-power-licences/51578342)

Rs 4,000-crore investments in wind energy on brink of becoming NPAs

Investment of Rs 4,000 crore in wind energy projects is on the verge of becoming non-performing assets, as over 550 MW of projects that are ready to generate electricity are stranded because a state utility has refused to sign power purchase agreements (PPA) or issue commissioning certificates.

Projects of Tata Power, ITC, Jindal Steel subsidiary Maharashtra Seamless, Hero Future Energies, Green Infra Wind Energy and Continuum Wind Energy are facing the risk. "Wind energy projects which do not start generating power within two years of taking loans can be declared 'non-performing' by the RBI," said Sunil Jain, president of the Wind Independent Power Producers Association.

"All these developers face this threat, even if they have been paying interest on their loans. This will affect their credit worthiness for future bank loans."

Project developers are waiting for action from the Maharashtra State Electricity Distribution Co Ltd (MSEDCL), which has refused to sign PPAs or issue commissioning certificates. Jain said 364.15 MW of wind projects were ready in 2014-15 and another 192.05 MW were completed in 2015-16.

The distribution company defended its position. "We are working in accordance with state's new renewable energy policy," said MSEDCL Chairman Sanjeev Kumar, unwilling to go into details. The Maharashtra Energy Development Agency, which handles nonconventional energy in the state, did not respond to queries.

(Source-http://energy.economictimes.indiatimes.com/news/renewable/rs-4000-crore-investments-in-wind-energy-on-brink-of-becoming-npas/51578330)

THOUGHT OF THE DAY:

Leadership and learning are indispensable to each other. - John F. Kennedy