

NEWS FLASH –4TH July, 2016

SUGAR

230 million MT procured from farmers by sugar mills, 92% cane dues paid

The current sugar season 2015-16 has recorded procurement of 230 million MT of sugarcane from farmers by sugar mills across the country. Out of the total cane price dues payable of Rs 52,900 crore, on the basis of Fair and Remunerative Price (FRP), only Rs 4,225 crore are pending as cane price arrears for current sugar season.

As per a press note issued by the ministry concerned, sugar mills have paid about 92% of their cane dues so far. Out of the total pending cane price arrears for current sugar season, about Rs 1,975 crore pertain to Uttar Pradesh, which is about 14% of its dues payable. A major portion of the pending arrears, about Rs 1,600 crore, belong to five sugar group companies namely, Bajaj, Mawana, Modi, Simbhaoli and Rana.

Maharashtra being major sugar producing state has cleared almost 96% of sugarcane dues payable and only Rs 590 crore are pending as arrears. Other major sugar producing states like Karnataka have also paid 94% dues to farmers. During sugar season 2014-15, the cane price arrears had peaked at Rs 21,800 crore in the month of April 2015 which is now reduced to Rs 684 crore. Central government has been consistently monitoring the position of cane price arrears and advising the state governments for speedy liquidation of arrears.

(Source- <http://sugarnews.in/230-million-mt-procured-from-farmers-by-sugar-mills-92-cane-dues-paid/> published on 2nd, July, 2016)

Sugar steadies in routine trade

Sugar prices ruled steady at Vashi on back of routine demand, supply. Local dispatches improved on higher retail demand, while at upper mill and naka level prices remained unchanged. At Vashi, spot and naka prices were up by ₹10 a quintal. Arrivals were about 60-61 truck loads and local dispatches were at 62-63 loads. The Bombay Sugar Merchants Association's spot rates: S-grade ₹3,595-3,672 (3,582-3,672) and M-grade ₹3,672-3,825 (3,662-3,825). Naka delivery rates: S-grade ₹3,580-3,650 (3,580-3,640) and M-grade ₹3,650-3,740 (3,610-3,740).

(Source- <http://sugarnews.in/sugar-steadies-in-routine-trade/> published on 2nd, July, 2016)

Co-gen/Power

Maharashtra govt plans to make agriculture sector run on solar energy

The state government is working on a draft proposal to segregate and shift agriculture feeders from coal-based power to solar energy through a long-term policy aimed at making both agriculture and industries financially sustainable.

Highly placed sources in the energy ministry said, "Power supply to farmers in Maharashtra is heavily subsidised at 85 paise per unit. As a result, Rs 8,000 crore financial burden incurred on subsidy given to farmers is partly recovered from industrial and domestic consumers. This leads to higher power rates for industrial sector as well as domestic consumers."

Non-recovery of dues from agriculture is also steeply rising having crossed Rs 15,000 crore.

Through its policy reforms being worked out, it is felt the state government should completely segregate agriculture feeders from non-agriculture feeders both in terms of logistic and financial implications.

The package of Rs 8,000 crore which goes in subsidy can be invested in solar power. If sizeable 1.37 crore farmers shift from thermal power to solar energy, it would bring down cost of thermal energy as well as unburden the industrial sector.

(Source- <http://indianexpress.com/article/india/india-news-india/maharashtra-govt-plans-to-make-agriculture-sector-run-on-solar-energy-2890481/> published on 3rd July, 2016)

Green energy: SBI inks \$625 million deal with World Bank

Banking behemoth the State Bank of India has gone global to support clean energy, seen as a key to meet the country's mammoth power requirement while protecting the environment.

The bank has inked an agreement with the World Bank (WB) for a \$625 million credit facility, aimed at supporting solar energy, the lender said in a release issued on Saturday.

"With around 300 days of sunshine every year, India has among the best conditions in the world to harness solar energy, said Onno Ruhl, country director, World Bank India. "The rapid expansion of solar power can improve the quality of life for millions of Indians, especially for its poorest citizens."

"It can also create thousands of jobs in the solar industry and underpin progress in all areas of development, helping the country fulfil its dream of becoming the 'India of the future,'" he said.

This facility will help SBI in financing Grid Connected Rooftop Solar Photovoltaic (GRPVS) projects at competitive rates, the bank said.

The government has set a target for renewable energy generation of 175 gigawatts by 2022

SBI Capital Markets, a subsidiary of SBI, was the advisor for structuring and setting up the facility.

(Source:

http://economictimes.indiatimes.com/articleshow/53020142.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst, published on 2nd, July, 2016)

As coal stocks pile up, Singareni may slip into the red

The Singareni Collieries Company Limited (SCCL), which has been making strides in coal production in the recent past, ironically, is on the verge of slipping into the red thanks to huge coal stocks piling up at various mines.

With the availability of cheaper imported coal thanks to several tax sops announced by the Centre, thermal power stations, cement and ceramic industries, which comprise the bulk coal consumers, are going in for coal supplies from the U.S. Russia, and China among other countries instead of purchasing the indigenous coal.

The price of indigenous coal is high mainly due to high overheads.

About one lakh tonnes of coal were gutted in a fire over the summer at the Medipalli open cast project in Karimnagar district. Though the Singareni management has fixed a target of 66 million tonnes of coal production for the current fiscal at the rate of about 2.4 lakh tonnes coal every day, officials of SCCL said production was brought down to 1.67 lakh tonnes since May.

Officials have attributed the high cost of Singareni coal due to increase in production costs including wages.

Excavation of one tonne of coal from underground mine would cost Rs.3,987 and Rs.2,955 (74 per cent) out of it would be wage component itself.

(Source: <http://indianpowersector.com/2016/07/as-coal-stocks-pile-up-singareni-may-slip-into-the-red/> published on 2nd July, 2016)

Distillery/Ethanol

Ethanol blending to go up to 22.5%, says Nitin Gadkari

Government will soon come up with a new policy on non-conventional resources as it plans to take up ethanol blending in petrol to 22.5 per cent and in diesel to 15 per cent, Union Minister Nitin Gadkari today said.

“Next week, we will have a meeting of Petroleum Minister, Rural Development Minister, Agriculture Minister, Environment Minister. We will formulate a new policy for non-

conventional resources,” Road Transport and Highways Minister Gadkari said on the sidelines of an event here.

He said the government is planning to take the blending limit of ethanol in petrol to 22.5 per cent and diesel to 15 per cent, as also second generation ethanol production from bamboo, rice straw, wheat straw, cotton straw etc to power vehicles.

“If we start making ethanol from bamboo in North-East, lakhs will get employment and several industries will come up,” he said.

The minister said recently he saw such successful industries in Italy and as per rough estimates 40,000 litres of second generation ethanol could be produced here easily.

He said boost to ethanol production could cut India’s huge crude oil imports bill, which is pegged at Rs 7 lakh crore per annum.

“Government is ready to purchase the entire quantity of ethanol produced by the industry. It could think of ways for economically viable production of ethanol,” the minister had recently told ethanol producers.

Chairing a meeting of Indian Federation of Green Energy earlier, the minister had said ethanol could be a game changer as it is economically viable and environment-friendly.

Citing the example of flex-fuel cars in Brazil, Gadkari said India was also on the way to promote such vehicles as this could minimise pollution.

To augment supplies of ethanol to oil marketing companies (OMCs) under EBP, the policy for procurement of ethanol has been modified to smoothen the entire ethanol supply chain to provide remunerative price of ethanol.

In December 2014, the Cabinet had approved usage of non-food feedstocks besides molasses as source of ethanol to be used for blending in fuel.

(Source- <http://sugarnews.in/ethanol-blending-to-go-up-to-22-5-says-nitin-gadkari/> published on 2nd, July, 2016)

Thought of the day

***‘Mistakes are the usual bridge between inexperience and wisdom.’ -
Phyllis Theroux***