

NEWS FLASH – 6th May, 2016

SUGAR

Raw sugar rallies to 18-month high as supply concerns deepen

Production in India will fall 7.9% in the 12 months starting 1 October

Raw-sugar futures climbed to the highest in more than 18 months as Asian dryness heightens concern that supplies will trail demand, trumping an outlook for bigger output in Brazil, the world's largest producer and exporter.

Production in India, the second-largest cane-sugar grower, will fall 7.9% in the 12 months starting 1 October after drought hurt crops, trimming ending stockpiles for a second year in a row, a unit of the US Department of Agriculture said on Tuesday. Prices rose the past three months on projections for a second-global deficit. Citigroup said Wednesday it's bullish on imports by China as falling profitability discourages production.

"An increasingly tighter Asian supply situation has the market trending higher," founder David Hightower said in Chicago-based Hightower Report. Given India's situation, "Brazilian and Thai exports are likely to be in strong demand."

Raw sugar for July delivery climbed 2.5% to settle at 16.65 cents a pound at 1:02pm on ICE Futures US in New York, after reaching 16.79 cents, the highest for a most-active contract since 20 October 2014. In London, white sugar for August delivery rose 1.9% to \$476.80 a tonne on ICE Futures Europe, after touching \$479.20, the highest since 30 June 2014.

Data from Brazil industry group Unica showed millers in the country's main sugar-producing region more than doubled processing in the first half of April, fueling an outlook for record output this season.

(Source-<http://www.livemint.com/Politics/Raw-sugar-rallies-to-18month-high-as-supply-concerns-deepen.html>, published in Livemint on 5th May, 2016)

Maharashtra govt mulls over soft loans for drought-hit sugar factories

Chief minister Devendra Fadnavis on Wednesday assured that the state government will consider providing soft loans to the sugar factories in Marathwada, Solapur and Ahmednagar, the areas worst hit by drought.

A delegation led by former deputy chief minister Ajit Pawar met the chief minister to raise the issues faced by the state's sugar factories. Maharashtra State Cooperative Sugar Factories Federation chairman Shivajirao Nagawade, Dilip Walse-Patil, Jayant Patil, Vijaysinh Mohite-Patil, Prakash Awade, Jayprakash Dandegavkar and others accompanied Pawar. Minister for cooperation Chandrakant Patil, minister of state for cooperation Dadaji Bhuse, minister

for women and child development Pankaja Munde and sugar commissioner Vipin Sharma were also present.

Nagawade later said restructuring of loans and providing subsidy for drip irrigation for cane were some of the solutions discussed during the meeting, which was positive.

Fadnavis said the successive drought situation and reduced cane and sugar production has resulted in a situation where it would be difficult to operate the factories for 2016-17 crushing season. He added that since the sugar factories were facing a crisis, the government will consider providing soft loans and he will take up the issue with the Union government.

Minister Patil informed that his department has issued seizure notices to 20 sugar factories for non-payment of Fair and Remunerative Price (FRP) to cane farmers. He said there were very few factories that were yet to pay the dues, and the government was ready to wait till May 31, before initiating the action of seizure.

Fadnavis further told the delegation that the stock limit policy was determined by the Union government and he will follow it up with them. He informed the delegation that the issues pertaining to increasing target for co-generation to 1,000 MW for sugar factories and bagasse production from the sugarcane residue would be verified before arriving at any decision.

(Source- <http://sugarnews.in/maharashtra-govt-mulls-over-soft-loans-for-drought-hit-sugar-factories/>, published in DNA on 5th May, 2016)

Karnataka: Hike in PDS sugar price

Owing to sharp rise in sugar prices in the open market, the State Cabinet on Wednesday decided to increase the price of sugar being distributed under the public distribution system (PDS) to below poverty line families from Rs. 13.5 to Rs. 15 a kg.

A decision was taken to open PDS ration shops in villages having 300 to 500 houses. Earlier, PDS shops were opened in villages with 500 to 800 houses. It was decided to implement provisions of the Central Prevention of Black Marketing and Maintenance Supplies of Essential Commodities Act, 1980, to crackdown black-marketing of commodities meant for PDS.

(Source- <http://sugarnews.in/hike-in-pds-sugar-price/>, published in The Hindu on 5th May, 2016)

Maha: Only 11 sugar factories paid fair and remunerative price amount

Only 11 of the 41 operational cooperative and private sugar factories in Kolhapur and Sangli districts have paid the entire amount of sugarcane purchase as per the fair and remunerative price.

Union government has finalised the formula for calculation of sugarcane purchase price, which is mandatory for all sugar mills.

The data released from the regional joint director of sugar commissionerate stated that every sugar mill has to carry out Rs 15 lakh worth work in its command area for farmers. Generally, sugar mills undertake works of water supply, drip irrigation and soil development that directly benefit farmers.

Sachin Raval, regional joint director, sugar commissionerate, said, "I have asked the factories that have not yet paid the entire sugarcane purchase price to complete the payment. The union government has come up with various schemes such as mandatory sugar export, direct benefit to farmers through subsidy payment. If the mills rush now, they can get good price for sugar and disburse the remaining payment to farmers."

There are some 41 cooperative and private sugar mills operational in Kolhapur and Sangli districts, which crush 20% of the state's total sugarcane. The dues in Sangli and Kolhapur are Rs 296.35 crore and Rs 773.77 crore, respectively.

A delegation of some mills from Kolhapur and Sangli met Raval on Tuesday evening regarding outstanding amount of payment to the sugarcane cultivators. Raval held separate meetings for Kolhapur and Sangli as there was slight variation in the issues pertaining to sugarcane payment and outstanding amount.

Sangli-based sugar mills had unanimously decided to pay Rs 1,900 per tonne of sugarcane as first instalment irrespective of the FRP calculation, while factories from Kolhapur had agreed to pay 80% amount as per the FRP formula. Hence, the due amount and its percentage varied in both the districts.

Farmers' leader Raju Shetti had pressurised the state government to break the FRP payment into 80:20 formula, where sugar mills were asked to pay 80% amount of FRP as first instalment. The rates of sugar were very low during November to January; hence factories could make payment as per the formula.

Meanwhile, the union government announced making sugar export mandatory and prices started surging. With price rise, government and farmers also started pressurising mills to release sugar for export as well as in domestic market and book profit so that it can make payment to farmers.

Despite it, some factories refused to pay farmers as per the formula and are now facing action. The state government recently cancelled the licences of some sugar factories and suspended the licences of a few others for their failure to pay as per the FRP

(Source-<http://sugarnews.in/only-11-sugar-factories-paid-fair-and-remunerative-price-amount/>, published in The Times of India on 5th May, 2016)

Mapping the market: 52 stocks hit 52-week highs, sugar counter gets sweeter

Sugar stocks get sweeter: Sugar stocks rallied as prices of raw sugar hit an 18-month high amid concerns that lower sugar production in India may create a demand-supply mismatch. Upper Ganges Sugar & Industries surged 8.31 per cent to Rs 129 and Dhampur Sugar Mills BSE 0.39 % soared 5.37 per cent to Rs 89.35, while Thiru Arooran Sugars BSE 2.07 %, Parry's Sugar and Dwarikesh Sugar BSE 2.80 % gained 5 per cent each. [Live chart here](#)

Stock Name	Absolute Change	% Change	Current	High	Low	Previous Close
Upper Ganges Sugar & Industries Ltd.	10.20	8.56	129.30	131.00	121.50	119.10
Simbhaoli Sugars Ltd.	1.70	5.58	32.15	33.00	31.35	30.45
Dhampur Sugar Mills Ltd.	4.55	5.37	89.35	91.80	85.50	84.80
Oudh Sugar Mills Ltd.	3.75	5.17	76.35	78.50	74.30	72.60
Dwarikesh Sugar Industries Ltd.	9.60	5.13	196.80	203.00	185.60	187.20
Ugar Sugar Works Ltd.	1.20	5.01	25.15	26.30	23.90	23.95
Thiru Arooran Sugars Ltd.	3.10	4.99	65.20	65.20	62.00	62.10
Riga Sugar Co. Ltd.	0.66	4.97	13.93	13.93	13.25	13.27
Dharani Sugars & Chemicals Ltd.	1.45	4.92	30.95	30.95	29.95	29.50
Indian Sucrose Ltd.	0.52	4.81	11.33	11.35	10.27	10.81
Uttam Sugar Mills Ltd.	2.30	4.44	54.10	55.40	52.00	51.80

(Source- <http://economictimes.indiatimes.com/markets/stocks/news/mapping-the-market-52-stocks-hit-52-week-highs-sugar-counter-gets-sweeter/articleshow/52128243.cms>, published in Economic Times on 5th May, 2016)

Co-gen/Power

Cabinet Approves Flexible Domestic Coal Use Policy

The Union Cabinet today approved a proposal to relax norms for utilisation of domestic coal aimed at bringing down cost of power generation.

"The Union Cabinet has approved a proposal to provide flexibility in utilisation of domestic coal for reducing the cost of power generation at its meeting held today," Power Minister Piyush Goyal told reporters after the Cabinet meeting here.

The move, Goyal said, will help reduce cost of power generation by 40-50 paise per unit. He expects that this will lead to savings of Rs 25,000 crore per annum in 4-5 years.

Earlier, the government has allowed swapping of coal mines by users so that transportation cost can be reduced for generation of power.

The government has allowed coal swapping in 19 blocks which brought down the cost of power generation as users were able to source the dry fuel from mines located nearer to them.

(Source-<http://indianpowersector.com/2016/05/cabinet-approves-flexible-domestic-coal-use-policy/>, published on 5th May, 2016)

Coal India trade union opposes investment in machines, fears job loss

As Coal India plans to ramp up production with heavy investment in hi-tech machines, one of its trade unions has strongly denounced the move fearing "huge job losses".

Coal India (CIL), which accounts for over 80 per cent of the domestic coal production, is eyeing one billion tonne output in the next five years.

"It is an open fact when super or high-tech technology comes, manpower reduces. So it is obvious when in Coal India such super technology will come with the multi-national companies and foreign power then automatically there will be huge job loss. So we strongly protest it," Baij Nath Rai of Bharatiya Mazdoor Sangh (BMS) said.

The state-owned company will invest \$ 20 billion (over Rs 1.27 lakh crore) to increase production to one billion tonne over the next five years and the money would be spent in technology, equipment and up-gradation of the existing facilities.

"We are trying to unite all the unions (of Coal India).We demand that there should be an open discussion of this issue with all the concerned(executive, unions and government.

"We would go on strike if the government does not listen to us and the date and time will be decided with consultations with all unions," Rai said.

(Source-<http://indianpowersector.com/2016/05/coal-india-trade-union-opposes-investment-in-machines-fears-job-loss/>, published on 5th May, 2016)

Indian utilities may import 48 million mt coal in 2016-17: CEA

Indian power utilities that have plants based on imported thermal coal are likely to import around 48 million mt of coal in the current fiscal year, which began April 1, 2016, an official from the Central Electricity Authority told Platts Wednesday.

CEA has not assigned any imported coal quantities to power utilities that used to import coal for blending with domestic coal this fiscal year, because of adequate availability of domestic coal along with sufficient inventories at power plants, the official said.

Last fiscal year, power utilities had imported around 37 million mt for blending purpose while 43 million mt was imported by those plants that use only imported coal.

The CEA official added that if the need arises and imported coal prices are found to be cheaper than domestic coal, some utilities may import for blending but the quantity would be a lot lower compared with last fiscal year.

(Source- <http://indianpowersector.com/2016/05/indian-utilities-may-import-48-million-mt-coal-in-2016-17-cea/>, published on 5th May, 2016)

The SunPedal Ride: Attempt for Guinness world record

The SunPedal Ride: 5 states and 7000+ kms on a solar powered electric bicycle to raise solar awareness

Sushil Reddy, an IIT Bombay alumnus from Energy Science Department, will be riding a solar powered electric bicycle across 5 states and 7000+ kms in India starting 7th May 2016 for approximately 70 days. This will be done with a support vehicle and a support crew. Rajendra Bhaskar, an IIT Bombay student will be riding along Sushil throughout the journey as a support crew.

Throughout the journey of 70 odd days, they will talk to people about the importance of solar energy at the grassroot level at certain schools/universities/organisations on the route.

Government of India launched the Jawaharlal Nehru National Solar Mission under which, the target is now to generate 100,000 MW of Solar Power in India and also MNRE (Ministry of New and Renewable Energy) has envisioned this target to be achieved by the year 2022. There is an estimated requirement of 3,00,000 skilled solar professionals comprising of multiple skill set ranging from research, design, engineering, installation, operation and maintenance, sales and marketing. Currently, the number of skilled solar technicians in India is approximately 40,000. There is an urgent need to empower people with solar. Hence there is a need of making people aware about the opportunities available in the upcoming solar energy sector.

The SunPedal Ride is supported by the Title Sponsor, **InterSolar**, India's Largest Exhibition and Conference for the Solar Industry organized by MMI India Pvt. Ltd. The renewable energy group Mahindra Susten and Applied Materials are the co-sponsors for the ride.

The Solar Bicycle will be a great example to showcase the application and potential of solar energy throughout the ride and the ride itself is aimed to unite and educate people over a cause which will dominate the future energy needs.

(Source- <http://indianpowersector.com/2016/05/the-sunpedal-ride-attempt-for-guinness-world-record/>, published on 5th May, 2016)

Thought of the day

Unity is strength;when there is teamwork and collaboration, wonderful things can be achieved.

-Mattie Stepanek