

NEWS FLASH – 7th May, 2016

SUGAR

Sugar prices rule flat

Sugar prices at Vashi rule flat with Rs4-Rs5 minor changes on Friday on routine activities. Naka rates were steady while at mill level S- grade gain by Rs20 on higher demand. Futures rates on NCDEX also showed thin volatility in absence of any big supportive cues. Freight rates were steady on normal volume with producers. Morale was steady said sources.

Sources said on back of routine demand – supply and enough stocks in the hand of stockiest kept volatility thin and sentiment cautious. But considering pick summer, festival season and expectation of timely arrivals of monsoon may encourage traders to bet for fresh purchases. As of now Vashi market carries about 110- 115 truck loads of stocks.

On Thursday 14-15 mills offered tenders and sold 40000 – 42 000 bags at Rs. 3470– Rs3550 (Rs3450 – Rs3530) for S-grade and Rs3550 – Rs3600 (Rs3550-Rs3600) for M-grade.

On NCDEX futures prices for May-16 was up at Rs3347 (Rs3336) and July-16 contracts was higher at Rs3539 (Rs3526) till noon.

On Bombay Sugar Merchants Association's spot rates were: S-grade Rs. 3,562- Rs. 3,666 (Rs 3,552 - Rs. 3,665) and M-grade was Rs. 3,642 – Rs. 3,772 (Rs 3,640 – Rs. 3,772).

Naka delivery rates were: S-grade Rs. 3,540 – 3,600 (Rs 3,540 – Rs. 3,600) and M-grade Rs. 3,600 – 3,700 (Rs 3,600 – 3,700).

(Source-<http://www.thehindubusinessline.com/markets/commodities/sugar-prices-rule-flat/article8566386.ece>, published on 6th May, 2016)

Karnataka: Drought sees fresh push for drip irrigation for sugarcane

This drought year will see Karnataka State Sugarcane Growers' Association starting a drive to promote drip irrigation among its members for water conservation and to increase crop yield.

Sugarcane is among the water-intensive crops, and in view of the prevailing water stress in Karnataka which may recur in future, the association plans to highlight the benefits of drip irrigation. This move is significant as sugarcane is being blamed for the intensity of drought ravaging parts of Maharashtra, with suggestions to ban its cultivation.

Association president Kurubur Shanthakumar told The Hindu that in this system, the quantum of water saved was enormous, which also reduces the cost of cultivation.

Among top three producers

The State is among the top three sugarcane producers in the country next only to Uttar Pradesh and Maharashtra, and sugarcane is cultivated on nearly 5.2 lakh hectares of land.

"This year, the yield has considerably declined owing to water stress and is expected to be around 380 lakh tonnes against nearly 480 lakh tonnes last year," said Mr. Shanthakumar.

Uniform results

N. Nagaraj of the University of Agricultural Sciences-Bengaluru, and an expert on water management, said field trials and research had demonstrated the efficacy of drip irrigation over the conventional method of flooding the fields. "The quantum of water saved is nearly 40 per cent compared with the conventional method, and the crop yield also has increased by 50 per cent," he said. Field trials were on in many places across the State in the last three years, and the results were uniform, Dr. Nagaraj added. Given the proven benefits in water saving and improvement in yield, the concept of drip was gaining popularity, he said. Since drip irrigation requires at least 90 cm of spacing between two rows during planting, farmers could go for inter-cropping with short-duration crop. "This will add to their income while enhancing soil fertility," Dr. Nagaraj added.

There are more than 5 lakh sugarcane cultivators in the State and about 30 per cent of them are following the drip irrigation method. "Our mission will be to popularise drip irrigation to conserve water," said Mr. Shanthakumar.

(Source- <http://sugarnews.in/drought-sees-fresh-push-for-drip-irrigation-for-sugarcane/>, published in the Hindu on 6th May, 2016)

Sugar futures extend gain, up 0.45% on rising demand

Rising for the second day, sugar prices were up by another 0.45 per cent to Rs 3,554 per quintal in futures trade today as traders indulged in widening positions amid strong demand from bulk consumers in the spot market.

Besides, estimates of fall in sugar output fuelled the uptrend.

Meanwhile, India's sugar production estimate has been revised downward by about one million tonnes (MT) to over 25 MT, in the current marketing year ending September on lower sugarcane availability.

At the National Commodity and Derivatives Exchange, sugar for delivery in far-month July advanced by Rs 16, or 0.45 per cent to Rs 3,554 per quintal with an open interest of 40,600 lots.

Analysts said enlarging of positions by participants following pick up in demand from bulk consumers as well as retailers in the spot market kept sugar prices higher at futures trade

(Source- <http://sugarnews.in/drought-sees-fresh-push-for-drip-irrigation-for-sugarcane/>, published in the Hindu on 5th May, 2016)

Maha: Sugar co-ops not behind drought – Chavan

In a scathing attack on Union Agriculture Minister Radha Mohan Singh, Congress MP and former Chief Minister of Maharashtra Ashok Chavan said sugarcane crops do not create the shortage of water in Marathwada region as told by the Minister.

Speaking in the Lok Sabha Chavan said sugarcane crops are mostly under cooperatives and it is wrong to say the present water-crisis in the region has been due to this, he added.

Chavan also raised the issues of farmers of the Marathwad region and urged the agriculture ministry to forgo their loans. The farmers have been facing droughts for the past 3 years. You would give them Rs one lakh when they die; why not now so that they can survive, he said emphatically.

Chavan also raised the issue of Manrega and said that out of eight districts of Marathwada only about 50 thousand people are enrolled in the scheme. In reality, each district has a population of 50 thousand ready to be enrolled. The norms of enrollment are so tough that the concerned officials are scared of enrolling them; there is a need to encourage the local bureaucracy to get over their fear, he underlined

(Source- <http://sugarnews.in/maha-sugar-co-ops-not-behind-drought-chavan/>, published in the Hindu on 5th May, 2016)

Maharashtra continues crackdown on sugar mills over FRP

Even as Maharashtra's sugar season is slated to end on May 10, the government continues to maintain pressure on millers for fair and remunerative price (FRP) payments.

Around 740 lakh tonne of cane has been crushed so far, resulting in production of 84 lakh tonne of sugar, top officials of the Maharashtra Sugar Commissionerate said. The commissionerate has initiated stern action against 20 mills for their failure to make FRP payments for the season.

“At the latest hearing, Revenue Recovery Certificate (RRC) orders have been issued against 6 mills. Besides, crushing licences of 6 mills have been cancelled and licences of another 8 mills have been suspended. Of the 8 mills, four mills have made payments,” Vipin Sharma, state sugar commissioner, told FE.

The total fine for crushing without licence comes up to R116 crore, Sharma said. Hearings were held for some 32 factories last week. As per the latest arrears report, around 84% of the FRP payments have been recovered while 14% millers still owe payments to farmers.

The government has also taken action against 23 factories for not making FRP dues of 2014-15. RRCs have been issued against 16 mills, crushing licences of 7 mills have been cancelled and fines have been imposed on them while cases of 4 factories are in the high court, Sharma said. These mills owe farmers some Rs 195 crore. Sharma said that he could not do much since these are RRC cases and their properties have been attached.

(Source- <http://sugarnews.in/maharashtra-continues-crackdown-on-sugar-mills-over-frp/>, published in the Hindu on 5th May, 2016)

Co-gen/Power

Power engineers body challenges APTEL decision on Sasan in Supreme Court

Power engineers body challenges APTEL decision on Sasan in Supreme Court

The All India Power Engineers' Federation (AIPEF) has challenged the order of the Appellate Tribunal for Electricity (APTEL) in the Supreme Court of India which decided that the first unit of Sasan Power Project attained commercial operation date (COD) on March 31 2013. The appeal was filed yesterday.

APTEL in its order of March 31 has set aside and quashed the order dated August 8 2014 of Central Electricity Regulatory Commission (CERC) wherein the commission had rejected the claim of COD on 31/3/2013. The first unit of Sasan with capacity of 620.4 MW attained only 101.38 MW as certified by the independent engineer. The CERC while rejecting the claim of Sasan Power Limited for COD on March 31 2013 had declared it as a mockery of established system and had recorded adverse remarks against the independent engineer who had certified the COD.

While the APTEL judgment was issued on March 31 this year Reliance Power issued a Media Release on the same day wherein it was stated that Reliance Power / Sasan would get revenue of Rs. 1050 crore as a result of the APTEL judgment. There are seven procurer states whose power utilities have signed power purchase agreement (PPA) for UMPP Sasan. These states/utilities would have to bear the additional burden Pro-Rata to their share in UMPP Sasan. The share of Madhya Pradesh is 37.5%, Punjab 15%, Haryana and Delhi 11.25% each, Rajasthan 10%, Uttar Pradesh 12.5% and Uttrakhand 2.5%.

All India Power Engineers Federation represents the power engineers of the country. In addition to AIPEF, individual power consumers from Uttar Pradesh, Delhi & Punjab are also the appellants.

(Source- <http://indianpowersector.com/2016/05/power-engineers-body-challenges-aptel-decision-on-sasan-in-supreme-court/>, published on 6th May, 2016)

Norms relaxed for utilization of domestic coal, Goyal says

A proposal to relax norms for utilization of domestic coal to bring down cost of power generation has been approved by the government, Power Minister Piyush Goyal said on Thursday.

He said in Lok Sabha during Question Hour the decision will provide flexibility in utilization of domestic coal for reducing the cost of power generation.

Good initiative of the government in reducing the cost of power generation.

The decision by the Union Cabinet yesterday is expected to help reduce cost of power generation by 40-50 paise per unit and will lead to savings of Rs 25,000 crore per annum in 4-5 years.

The Minister said the government has notified a new tariff policy on January 28, which mandates that thermal power plants, located within 50 km radius of sewage treatment plant of a municipality or local body, will in order of their closeness to sewage treatment plant, mandatorily use treated sewage water produced by these bodies.

(Source- <http://timesofindia.indiatimes.com/business/india-business/Norms-relaxed-for-utilization-of-domestic-coal-Goyal-says/articleshow/52121323.cms>, published on 5th May, 2016)

Thought of the day

'Life is 10% what happens to you and 90% how you react to it.' -Charles R. Swindoll