

SUGAR

Sugar stays unchanged

Sugar market ruled flat on back of routine demand and supply. At the Vashi market, spot and naka rates were unchanged and mills also kept prices stable to ease surplus stocks. Sources said enough supply and stocks on hand kept stockists away. Arrivals and local dispatches remained at par. Freight rates were steady. Arrivals at Vashi were 61-62 truck loads and local dispatches were at same level. The Bombay Sugar Merchants Association's spot rates: S-grade ₹ 3,582-3,756 (3,582-3,762) and M-grade ₹ 3,656-3,882 (3,652-3,882). Naka delivery rates: S-grade ₹ 3,550-3,630 (3,550-3,630) and M-grade ₹ 3,640-3,720 (3,630-3,730).

(Source- <http://www.thehindubusinessline.com/markets/commodities/sugar-stays-unchanged/article9193448.ece>, published on 6th October, 2016)

Maharashtra's sugar output expected to hit 6-year low

The sugarcane crushing season in Maharashtra will start from December 1, instead of November 1, because of prolonged rains and inadequate stock. The state's sugar output is expected to be five million tonnes (mt), the lowest since 2010-11. It was 8.41 mt in 2015-16.

The fall is also because of the decrease in area under cultivation to 633,000 hectares (ha) against 987,000 ha a year ago. Cane available for crushing is also expected to fall from 74.3 mt to 49.3 mt.

Besides, around 140 sugar mills (70 cooperative and the rest private) are expected to participate in crushing, against 177 (99 cooperative and 78 private mills) in 2015-16.

These estimates were released by the state government at a meeting chaired by Chief Minister Devendra Fadnavis and his Cabinet colleagues with representatives of the industry held late Monday night. The government and industry representatives arrived at a consensus on December 1 as the date for beginning the crushing season as fields are waterlogged, which will impact sugar recovery.

The Federation of Cooperative Sugar Factories in Maharashtra, a body of around 200 mills, has appealed to the state government to waive the three per cent sugarcane purchase tax, restructure loans with three-year moratorium and seven-year repayment schedule, and provide 75 per cent subsidy for drip irrigation. The federation said rescheduling and restructuring of loans was done by the Centre in 2007 to avoid accounts getting declared as non-performing assets.

The National Federation of Cooperative Sugar Factories' Chairman Dilip Walse-Patil, who was present at the meeting, told Business Standard, "The state government needs to be proactive in providing help, as the sugar industry is going through a difficult phase. The government will have to take immediate steps for improving ease of doing business, especially in getting approvals and crushing licence in a time-bound manner."

Fadnavis told industry representatives that he has asked the commissioner of sugar to give approvals online. Besides, he assured them that he would take up their demand for restructuring loans with the Union finance ministry.

(Source- http://www.business-standard.com/article/markets/maharashtra-s-sugar-output-expected-to-hit-6-year-low-116100400377_1.html, published on 4th October, 2016)

HC relief for sugar mills

Stays govt notices over disbursing cane price to growers

Acting on a bunch of 10 petitions, the Punjab and Haryana High Court today stayed the notices issued by the Punjab Government to the sugar mills for the recovery of Rs 50 per quintal disbursed to the cane growers.

The government had earlier decided that all private sugar mills in the state would disburse the cane price of Rs 245 per quintal to the growers for the 2015-16 season. The balance agreed price of Rs 50 per quintal was to be disbursed either by the state or the Centre. Counsel for Punjab also told the court that it would pay Rs 50 per quintal to the cane growers.

The matter was initially brought to the court's notice by Chadha Sugars and Industries Private Limited. Appearing for the petitioner, senior advocate Chetan Mittal, Alok Mittal and Kunal Mulwani submitted that the Punjab Cane Commissioner informed the sugar mills of the government's decision on the disbursement of the cane price.

Chetan Mittal said the state government had paid Rs 1,206.11 lakh, but the petitioner was still being asked to pay Rs 2,842.10 lakh (the Rs 50/quintal component).

Referring to the instructions issued by the Cane Commissioner, Mittal said the petitioner was not liable to pay the cane price beyond Rs 245 per quintal. The sum of Rs 50, a part of the total price of Rs 295 per quintal, was to be paid by the state government.

He submitted that the respondents had threatened to lock the petitioner's sugar mill and godown. Staying the operation of the impugned letter and the notice issued to the petitioner, Justice Rakesh Kumar Jain said, "In case the industry and the godown of the petitioner have already been locked, the respondents shall open the locks immediately."

(Source- <http://www.tribuneindia.com/news/punjab/hc-relief-for-sugar-mills/306055.html>, published on 7th October, 2016)

Sugar price rally dents expectations for Chinese imports

The rally in sugar prices, coupled with improved domestic production prospects, has dented expectations for purchases of the sweetener by China, the top importer.

The US Department of Agriculture's Beijing bureau cut to 6.0m tonnes its forecast for Chinese sugar imports in 2016-17 – ditching expectations of a rise in volumes.

Indeed, the downgraded figure was 1.9m tonnes below the USDA's official estimate.

The reduced import estimate "is a result of both higher domestic sugar cane production, a narrowing of domestic and global sugar price spreads which makes smuggling less attractive, as well as a strengthening of Chinese enforcement against illegal sugar trade," the bureau said in a report.

Production to 'rebound'

World sugar prices have soared to multi-year highs, boosted by concerns that Brazilian supplies will be smaller than thought,

The rally - in reducing their discount to China's own values, which have historically been supported by regulated cane values - has curtailed the appeal of smuggling, which the bureau has previously estimated at 1.5m-2m tonnes a year.

Meanwhile, "very attractive domestic prices", besides strong yield forecasts, prompted the bureau to raise by 12.1m tonnes to 83.7m tonnes its forecast for China's cane output in 2016-17, on an October-to-September basis.

The bureau forecast sugar production at 9.53m tonnes, up 1.2m tonnes from the previous year, and 1.3m tonnes above the USDA's official estimate.

The bureau also flagged a Chinese government probe into rising sugar imports, following complaints by its domestic industry is expected to be completed in six months.

Import pace

Indeed, the prospect of imports in 2016-17 proving flat with those a year before would represent a sharp slowdown on the recent pace of growth.

Imports in August, at 360,285 tonnes, tumbled by 31% year on year, Chinese customs data show.

Nonetheless, volumes for the first eight months of 2016, at 2.11m tonnes, remained 31% down year on year.

(Source- <http://www.agrimoney.com/news/sugar-price-rally-dents-expectations-for-chinese-imports--10009.html>, published on 6th October, 2016)

Co-gen/Power

Power generation to meet 12th Plan target

Private, state thermal producers exceed capacity addition targets; hydro, nuclear power languish

Power generation will be 100 per cent of the envisaged capacity addition target of 88,537 megawatt (Mw) by the end of the Twelfth Five-Year Plan.

The sector has missed targets despite them being scaled at times over the previous two Plan periods.

The achievement now is 99.4 per cent and this will likely climb to 100 per cent by March 2017, when the Twelfth Plan ends. This is largely due to capacity increases by private and state thermal power producers, while hydroelectric projects are lagging behind targets.

The enhanced thermal power generation is attributed to improved fuel supply, with coal availability increasing to a historic high and gas supply brought to order through auctions.

During the Tenth Plan period (2002-07), the government had set a target of adding 41,110 Mw. The actual capacity added was 20,950 Mw, 49 per cent of the target. The position worsened during the Eleventh Plan period (2007-2011). The original target of 78,577 Mw was revised to 62,000 Mw, and the actual capacity addition was 50,000 Mw.

The draft Twelfth Five-Year Plan had set a target of adding 100,000 Mw of capacity, but the Planning Commission scaled it down to 88,537 Mw.

There has been no hydroelectric capacity addition in the past five years. Private and state thermal power producers have surpassed targets by 112 per cent and 129 per cent, respectively.

"The private sector has become active. As India goes about implementing its growth plan, the role of private players will be the differentiator," said Ratul Puri, chairman, Hindustan Power Projects.

(Source-http://www.business-standard.com/article/economy-policy/power-generation-to-meet-12th-plan-target-116100600878_1.html, published on 7th October, 2016)

ABB to install 600 KW solar energy in its Vadodara facility

ABB, a power and automation technology company, today said it will install a 600 KW fully integrated and standardized microgrid solar energy at its Vadodara facility in Gujarat to help boost renewable energy generation while reducing dependency on fossil fuel.

This microgrid with a rooftop photo voltaic field at the company's biggest manufacturing location in India with around 3,000 employees will help ensure uninterrupted power supply, said the company.

Microgrids are considered a viable and cost-efficient solution to not only improve access to electricity but also to address other pressing issues related to energy supply including growing demand, climate change, energy security and reliability for both industries and villages.

ABB's containerized microgrid installation in Vadodara includes a 600 kW rooftop solar photovoltaic (PV) field and a power store battery grid stabilizing system.

Energy generated during the day will augment power from the grid and reduce dependency on diesel generators in case of grid outages. It results in substantial savings on electricity bills while helping to reduce carbon footprint.

A cloud-based remote service system will be deployed for the operations and maintenance of the microgrid in keeping with ABB's Internet of Things, Services and People (IoTSP) approach.

Sanjeev Sharma, CEO & Managing Director of ABB India Ltd said, "Microgrid technology assumes greater significance for India as it provides access to electricity through localized generation and consumption as well as reliable and resilient power supply to urban campuses and industrial operations."

"There is no better way to demonstrate our commitment to green and reliable power than installing a microgrid for our campus and contribute to the nation's vision of clean energy and 500 MW of microgrids in the next five years, which is also in full alignment with ABB's Next Level strategy.", Sharma added.

In 2015 ABB exhibited the first multisource microgrid pilot at its Automation and power world event in New Delhi.

Over a period of 3 days 1,350 kg of CO2 was saved and enough electricity was generated to power approximately 12,000 rural households.

Vadodara is ABB's largest facility in India and manufactures critical power equipment like transformers, high voltage products, distribution relays, primary gas-insulated switchgear, motors, generators and turbochargers for a variety of national projects.

Earlier this month the company had announced inauguration of a new solar inverter manufacturing facility at Nelamanagala in Bengaluru to double the solar inverter manufacturing capacity of the company to 2GW.

ABB is one of the leading global technology company in power and automation that enables utility, industry, and transport & infrastructure customers to improve their performance while lowering environmental impact.

(Source- <http://indianpowersector.com/2016/10/abb-to-install-600-kw-solar-energy-in-its-vadodara-facility/>, published on 5th October, 2016)

Quote of the day

"I can't change the direction of the wind, but I can adjust my sails to always reach my destination." - Jimmy Dean