

SUGAR

Deadlock over cane price continues, Maharashtra CM to take final call

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An informal meeting between farmer union representatives and sugar millers regarding payment of first installment to cane farmers ended without any conclusion. The meeting was organised by Girish Bapat, state minister for public distribution, Maharashtra in the presence of Subhash Deshmukh, Maharashtra minister of cooperation at Sahkar Sankul, Pune. The meeting was attended by chairmans of sugar mills.

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Meanwhile, sugar mills from Kolhapur and Sangli have agreed to pay Rs 175/tonne more than the fair remunerative price (FRP) and started crushing operations fearing diversion of cane to neighbouring state Karnataka.

(Source-<http://sugarnews.in/deadlock-over-cane-price-continues-maharashtra-cm-to-take-final-call/>, published on 13th November, 2016)

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Sugar gains on firm tenders

Sugar prices extended their gain for the second consecutive day, on the back of firm mill tenders, amid tight freight rates. At Vashi on Monday, spot rates went up by ₹ 20-25 and naka prices increased by ₹ 10-12. Mill sold commodity ₹ 10-20 higher despite routine volumes. Arrivals at Vashi were about 61-62 truck loads and local dispatches were at same level. On Saturday evening 13-14 mills offered tenders, and sold about 38,000-40,000 bags at ₹ 3,400-3,500 for S-grade and ₹ 3,520-3,620 for M-grade.

(Source-<http://www.thehindubusinessline.com/markets/commodities/sugar-gains-on-firm-tenders/article9345863.ece>, published on 14th November, 2016)

Nitin Gadkari says it's tough to restructure the loans of the sugar industry

Even as the sugarcane industry has been demanding restructuring of the Rs 6000 crore soft loan, union transport minister Nitin Gadkari said that it will be tough as financial institutions are not ready. Instead, he advised sugar mills to increase their revenues by exporting innovative by products.

"We will try. But it is tough," said Gadkari while speaking at the International Sugarcane Value Chain – vision 2015 conference at the Vasantdada Sugar Institute (VSI), Pune.

The sugar industry is upset with the various regulations like indirect cap on retail price of sugar, sugarcane price fixation, removal of tax exemptions on ethanol imposed by the government.

Gadkari said that he is trying to get flexi fuel policy as it is not possible to produce ethanol from B-heavy molasses in India unless sugar prices decline to a very low level. "The industry should think about manufacturing bio-chemical and bio-plastic from ethanol. Bio-plastic has been becoming mandatory in the developing world," he said.

Prime Minister Narendra Modi had said that his priority would be using "zadi ka tel over the khadi ka tel" (bio-fuel over imported crude oil) to save the foreign exchange India has to spend on importing oil. He had pointed out that the production and consumption of ethanol had gone up by three times in 2015-16.

However, former union agriculture minister Sharad Pawar pointed out that in 2016-17, the participation of sugar mills in ethanol tenders has reduced by 50%. He said that the Prime Minister has invited him to Delhi to find away on ethanol and other issues.

(Source-<http://economictimes.indiatimes.com/news/economy/agriculture/nitin-gadkari-says-its-tough-to-restructure-the-loans-of-the-sugar-industry/articleshow/55420066.cms>, published on 14th November, 2016)

Co-gen/Power

India and US launch \$95 million clean energy projects

The US today announced two financial projects worth USD 95 million in India to bring more energy-efficient appliances to rural sector, as part of its efforts to continue the global transition to zero-and-low carbon energy sources.

The US has committed USD 70 million in Overseas Private Investment Corporation (OPIC) financing for renewable energy projects in India; and announced to launch a USD 20 million partnership this week with the philanthropic sector to bring more efficient appliances to rural Indian villages.

The USD 75 million OPIC financing is for a utility-scale PV project in Telangana.

It is sponsored by ReNew Power Ventures.

This commitment represents the rapid mobilisation of financing under a USD 250 million facility to support up to 400 MW of new solar power projects in India across multiple states, the White House said.

Further the OPIC and Indian Government will this week formally launch a USD 20 million distributed solar facility in partnership with leading philanthropies, it said.

Known as US-India Clean Energy Finance program (USICEF), it will address a key financing gap in the Indian distributed solar market by funding early-stage project preparatory work, it said.

USICEF is anticipated to unlock up to USD 400 million in long-term debt financing from OPIC and private sector investors, the White House said.

According to the White House fact sheet, the Rockefeller Foundation's Smart Power for Rural Development Initiative is also announcing a new partnership with the Clean Energy Ministerial's (CEM) Global Lighting and Energy Access Partnership (Global LEAP) to accelerate the deployment and use of energy efficient off-grid devices in rural India.

The US Department of State will, subject to Congressional notification, provide funding for Global LEAP to support the development and roll out of a programme to deploy energy-efficient devices such as televisions, fans, and refrigerators at selected Smart Power supported mini-grid sites, the White House said.

It will also develop a strategy for a programme-wide scale-up targeted to reduce energy costs for some of the poorest people in India.

"When deployed it is expected to reduce energy consumption by over 50 per cent for rural households, increase revenue for mini-grid operators by over 300 per cent per household, and generate rural employment for people involved in distribution and supply chain management of the devices," it said.

Noting that the US President Barack Obama's leadership has catalyzed a global transition towards a clean energy economy, the White House said from 2010-2015 alone, the US has invested in more than USD 11 billion in international clean energy finance.

At the same time, the US has made research and development a top priority.

Key achievements include establishing Mission Innovation (MI), with the leaders of 19 countries, to accelerate innovation by doubling public investment in clean energy research and development to USD 30 billion over five years.

(Source-<http://economictimes.indiatimes.com/industry/energy/power/india-and-us-launch-95-million-clean-energy-projects/articleshow/55421849.cms>, published on 14th November, 2016)

At e-auction, Coal India sells 35% stock at higher than listed price

Coal India BSE -0.91 % sold 7 million tonnes of coal, or 35% of the quantity on offer in an e-auction, at a floor price that was 20% higher than listed prices for non-power users. Traders as well as power producers with or without supply commitments from Coal India were allowed to bid in the auction.

"Most of the coal was sold near the floor price and we have been able to sell 7 million tonnes till now. The e-auction is still on and we hope to sell the entire volume of 20 million tonnes soon," said a senior Coal India official. State-owned Coal India has sold about 70 million tonnes of coal through spot and forward e-auctions in the first seven months of this financial year. It plans to sell another 50 million tonnes in the remaining five months, for a total of 120 million tonnes through this route.

"We are first taking care of power producers that have supply contracts from us, following which coal is being offered at auctions," the official said.

The bulk of Coal India's income comes from e-auctions, which fetch a price higher than the price notified for coal that's meant for power and non-power consumers. The company's output was 538.75 million tonnes of coal in 2015-16.

Earnings from e-auctions had declined with the fall in global coal prices. During the first quarter of the current financial year, the average realisation from e-auctions dipped 28% to Rs 1,570 per tonne from Rs 2,184 per tonne a year earlier, even though more coal was sold.

(Source-<http://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/at-e-auction-coal-india-sells-35-stock-at-higher-than-listed-price/articleshow/55424437.cms>, published on 15th November, 2016)

ETHANOL

PM: Need for sugarcane industries to move towards ethanol

During his address at the International Conference on Sugarcane Chain Value, Prime Minister Narendra Modi attempted to clear the apprehensions within the agrarian community regarding the ban on existing Rs 500 and Rs 1000 currency notes. Modi asserted that farmers should not worry as no income tax would be imposed on them. In his speech, Modi said,

"Farmers need not panic. Your hard-earned saving belongs to you. This country belongs to you. Even this Modi belongs to you. Beware of rumours and falsehood."

The remarks of Prime Minister were lauded by Nationalist Congress Party (NCP) supremo Sharad Pawar, who said, "The intentions of Modi are good. He is working round the clock in interest of the nation." Modi, during his address, expressed gratitude towards Sharad Pawar for the 50 years spent by him in public life. "Political differences are on one side. But anyone who is in public life knows how difficult it is. Sharad Rao(Pawar) ji has spent 50 years of his life in public service. When it comes to the issue of farmers, he is the first to intervene."

In his address, Modi highlighted the need for sugarcane industries to move towards ethanol. "We need to compensate those who are moving towards ethanol. Sugarcane ethanol is developing form of alternative fuel. It can bring huge revenues," the Prime Minister added.

Modi also expressed the need to bring in innovation and technology in the agrarian sector. "Innovation in agriculture required. Engineering is bringing the change. Just like medical science is being driven by technology, the day is not far when agricultural sector would also be driven by technology. I want farmers to be provided the option of technology to boost their agrarian activities. The use of machines could transform the agrarian sector and immensely aid out farmers."

"Young farmers should be connected to technology. The second green revolution will not only depend upon field size and production. It also depends upon genetic engineering, marketing and value addition," Modi added.

Modi highlighted the efforts taken by his government towards the betterment of farmers, including the introduction of Pradhan Mantri Fasal Bima Yojana and pushing for the need of soil card. "Farmers should be educated on the use of fertilizers. A farmer thinks that his neighbour brought a red-boxed container, so he brings the same. This should not happen because his land could be different in nature than his neighbour. This is the reason why my government is putting stress on soil health card. Every agrarian year, a farmer should prepare a soil health card for his fields. Just like our body requires a medical report for apt reporting, we need the soil health card for our fields."

(Source-<http://sugarnews.in/pn-need-for-sugarcane-industries-to-move-towards-ethanol/>, published on 13th November, 2016)

Quote of the day

'Over every mountain there is a path, although it may not be seen from the valley.'

-Theodore Roethke