

NEWS FLASH – 16th FEBRUARY, 2016

SUGAR

Sugar exports slip as global rates drop to \$375 per tonne

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Sugar mills from the country may find it difficult to meet the mandatory export targets set by the Centre due to a fall in international prices, top officials of Bombay Sugar Merchants Association said.

The government had asked mills to export 40 lakh tonne of sugar, pro-rated based on their past production, by September 2016. "If the millers meet export targets, they will become eligible for a subsidy of R45 per tonne. However, domestic rates are more attractive at Rs. 3,125-3,250 per quintal and now they are preferring to sell in the domestic market," Mukesh Kuvedia, secretary general of the association, said.

The sugar mills have contracted to export 900,000 tonne of the sweetener so far in the 2015-16 marketing season. Out of the contracted quantity, mills have dispatched nearly 700,000 tonne, Kuvedia said, adding that reaching a target of some 40 lakh tonne looks difficult. No new deals are being contracted, he said.

"The international rates have dropped down due to the fall in Brazilian Real. Moreover, the country is anticipating a good crop which is expected to come into the market soon and this could also impact Indian exports," Kuvedia said.

A jump in Brazil's sugar production this season will be offset by smaller harvests elsewhere including in India and Thailand. Global production will fall short of consumption by 5.5 million tonne in the year ending in September and another deficit of 6.2 million tonne is forecast for the following year by some trade agencies.

Meanwhile, action against sugar factories in Maharashtra continued with the Sugar Commissionerate cancelling licences of 3 mills for their failure to make 80% of the FRP dues for the 2015-16 season.

After hearings of 41 mills for non-payment of FRP for the 2015-16 season, the Commissionerate has decided to cancel licences of 3 mills, Vipin Sharma, Maharashtra sugar commissioner, said.

(Source- This article was published in The Financial Express dated February 16, 2016. <http://www.financialexpress.com/article/markets/commodities/sugar-exports-slip-as-global-rates-drop-to-375-per-tonne/211866/>)

Mixed trend in sugar

Mumbai- Sugar prices on the Vashi market ruled mixed with thin volatility on back of routine demand and supply. Spot rates were up ₹10 -15 a quintal for S-grade and down by ₹10 for M - grade. Naka rates were steady. Mill tender rates were higher by ₹20 -30. Arrivals to the Vashi market were stable at 61-62 truck loads while local dispatches were at 60-61 loads. Inventory at Vashi market was about 120-15 truck loads. The Bombay Sugar Merchants Association's spot rates: S-grade ₹3,176-3,272 (3,172-3,252) and M-grade ₹3,242-3,372 (3,242-3,382). Naka delivery rates: S-grade ₹3,180-3,240 (3,180-3,240) and M-grade ₹3,230-3,300 (3,230-3,300).

(Source- This article was published in The Hindu Businessline dated February 15, 2016. <http://www.thehindubusinessline.com/markets/commodities/mixed-trend-in-sugar/article8240647.ece>)

COGEN

Power sector will need Rs. 20 lakh cr over five years, says Piyush Goyal

Mumbai - The domestic power sector will require Rs. 20 lakh crore of funds over the next five years, said Union Minister of State for Power Piyush Goyal on Monday.

He added that the power value chain is likely to provide immense investment opportunities.

Addressing the media on the sidelines of the Make in India event here, he said that according to Ministry estimates, renewable energy alone will require about Rs. 8 lakh crore of investments over five years.

Last mile connectivity

Another Rs. 3 lakh crore would be required for building transmission corridors to evacuate the green power. Last mile connectivity, which requires tech upgrade and means to combat power theft, will demand another Rs. 4 lakh crore.

Better industrial equipment for energy efficiency will require another Rs. 15 lakh crore, he pointed out.

Goyal said the Centre is looking to expand the power value chain at every stage, be it coal-based power, renewable, power transmission or even waste-to-energy plants. Last mile connectivity is also high on the agenda.

"In the last 10 months we have focused our efforts on providing a stable, simple and predictable regulatory framework for distribution utilities, coal block allocation and creating one national grid," Goyal said.

He further said that till date 16 States have consented to participate in the UDAY scheme for State government power utilities.

Cost saving

Almost all major States have joined the scheme, that too voluntarily, he added. The scheme is expected to lead to savings of Rs. 1.80 lakh crore a year.

On the stalled process of allocating ultra mega power projects, Goyal said the bid documents were unbankable.

Bankers were unwilling to lend to such projects as the bid documents were faultily prepared. Soon the Ministry will approach the Union Cabinet for clearance to the revised bid documents, he added.

On the amendment to the Electricity Act, Goyal said a Bill would be tabled in the Budget session to enable a roadmap for the creation of healthy competition among power firms.

(This article was published in the Business Line print edition dated February 16, 2016 - <http://www.thehindubusinessline.com/todays-paper/tp-news/power-sector-will-need-rs-20-lakh-cr-over-five-years-says-piyush-goyal/article8241929.ece>)

Ethanol

Government to take agri-waste route to achieve ethanol blending targets

The Government has taken up second generation of lignocelluloses (or agri-residues) to ethanol production & achieve the target of 10% ethanol blending, says Dharmendra Pradhan

With a view to achieve the target of 10 percent ethanol blending, the government is adopting policies to encourage investment in second generation biofuels that are made from lignocellulosic biomass such as woody crops, agricultural residues or waste, etc. "There is a demand for ethanol for blending with petrol but there are technological and financial challenges which needs to be overcome. Molasses to ethanol conversion is already going on and the Government has taken up second generation of lignocelluloses to ethanol production to utilise agricultural residues/wastes, and achieve the target of 10 percent ethanol blending," said Dharmendra Pradhan, Minister of State for Petroleum and Natural Gas, while speaking at a seminar on 'Lignocellulose to ethanol: Roadmap for India' in New Delhi on February 11, 2016.

The seminar was aimed at accelerating the ethanol blending programme in the country and to draw up a roadmap for establishing ethanol industry from lignocellulosic route thus reducing the foreign exchange outflow, generate rural employment and protect environment.

Oil marketing companies have already invited bids for 120 crore litre of ethanol for blending in petrol for sugar year 2015-16 which would be 5 percent (approximately) of the country's total petrol consumption. "Ethanol blended petrol was introduced in 2003 but the process got impetus only in 2014-15 when new government took policy decisions to incentivise petrol

blending. The government is committed for time bound execution of initiatives to introduce ethanol blended petrol and bio diesel in the country," informed Pradhan.

Listing out the benefits of using ethanol blended petrol, Pradhan said, "It will not only help in value addition for the farmer's produce but will also reduce foreign exchange expenditure. Benefits of blended petrol will be in the form of employment generation, entrepreneurship promotion and environment protection."

(This article was published in the Business Standard dated February 15, 2016 - <http://www.thehindubusinessline.com/todays-paper/tp-news/power-sector-will-need-rs-20-lakh-cr-over-five-years-says-piyush-goyal/article8241929.ece>)

THOUGHT OF THE DAY:

"You are essentially who you create yourself to be and all that occurs in your life is the result of your own making." — Stephen Richards

HEALTH TIP OF THE DAY:

The health benefits of grapes include their ability to treat constipation, indigestion, fatigue, kidney disorders, macular degeneration and the prevention of cataracts. Grapes, one of the most popular and delicious fruits, are rich sources of vitamins A, C, B6 and folate in addition to essential minerals like potassium, calcium, iron, phosphorus, magnesium and selenium.

Grapes contain flavonoids that are very powerful antioxidants, which can reduce the damage caused by free radicals and slow down aging. Grapes, due to their high nutrient content, play an important role in ensuring a healthy and active life.