

SUGAR

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://sugarnews.in/sugar-gains-on-firm-tenders/>, published on 14th November, 2016)

EOW starts probe into Rs 50cr sugar export scam

The economic offences wing (EOW) of the city police has begun investigation into the alleged fraudulent export of two lakh tonnes of sugar by 21 sugar factories in the state. The fraud was initially estimated at around Rs 22 crore, but the police believe it may go up to Rs 50 crore.

Principally, sugar was exported in 2007-08 at rates lower than market prices, but the transport company was paid at rates higher than that prevalent at the time. Around 200 accused have been listed, including the chairmen, managing directors and directors of the 21 factories in Kolhapur, Sangli, Satara, Ahmednagar, Solapur and Pune.

An advocate, Govind Patil, had filed the case with the police. "The modus operandi was that over two lakh tonnes of sugar were sold to Kenya, Tanzania and Sri Lanka at a much lower price than the market rate in India. Moreover, the transportation fees given to M/s Shakti Credit Limited were much higher than market rates. During our initial probe, we found that it was the transporter's firm that had brought the proposal of export and the remaining work was done with its help," said a police officer.

A Kolhapur resident, Vasant Apte, had filed a petition in the Bombay high court in 2008 seeking a probe. The HC directed the Sugar Committee to inquire. During its second inquiry, sugar commissioner Raj Gopal Deora found a loss of crores and the court ordered Mumbai police to probe. "After a preliminary inquiry, we registered a cheating case in August 2016 against the chairman, managing directors, directors and office bearers of M/s Shakti Credit. We have written to all the sugar factories to furnish records of all exports during 2007-08 and are waiting for their reply. We have also made an office bearer of the Maharashtra Sugar Federation an accused," added the officer.

The sleuths said they are trying to track how Shakti Credit got the tenders for the exports, mainly through JNPT, Kandla and Port Bunder ports. The role of some officers of the Indian Sugar Export-Import Pvt Ltd is under probe.

(Source-<http://sugarnews.in/eow-starts-probe-into-rs-50cr-sugar-export-scam/>, published on 15th November, 2016)

Farmer bodies in Maharashtra threaten to disrupt cane season

Maharashtra's sugar season is set to get stormier with the meeting between farmer organisations and sugar millers remaining inconclusive in Pune.

While millers in western Maharashtra's cane-rich Sangli and Kolhapur regions agreeing to pay R175 per tonne over and above the fair and remunerative price (FRP) fixed by the Centre as the first cane installment, millers in the rest of Maharashtra did not come forward with any assurances to pay up a similar amount. As a result, farmer organisations such as the Swabhimani Shetkari Sanghatana and the Raghunathdada Patil-led Shetkari Sanghatana have given the millers time till November 25 to arrive at a solution, failing which the organisations have threatened to stop millers from crushing cane November 26 onwards.

A meeting between Maharashtra chief minister Devendra Fadnavis with a group of ministers is expected to be called this week in which a policy decision is expected to be taken on the issue of FRP for the state, Subhash Deshmukh, Maharashtra minister for cooperation said. The minister said all attempts are being made to ensure that the season goes on smoothly.

Deshmukh pointed out that some of the millers were cutting the FRP amounts of farmers under the pretext of keeping them as deposits with the factories. The minister warned that such steps would be considered illegal and strict action would be taken against such factories, adding that most millers in the Solapur region were indulging in such tactics. Such deposits should be accepted by the factories only with the consent of farmers, failing which the amounts should be returned to them, he said.

Test audits will be conducted in factories soon and the government is committed to taking strict action against any illegal moves by millers, he said. The minister said the proposal of farmer organisations seeking scrapping of the 15-km radius between two factories will be considered by the government soon and an appropriate decision will be taken soon after considering the pros and cons, he said. Millers in Maharashtra have paid 97% of the FRP dues of farmers for the season of 2015-16 and those factories that have failed to make the payments will not be given crushing licences, he said.

At the meeting, which was led by Dilip Walse Patil, chairman of the National Federation of Cooperative Sugar Factories, millers said it will be difficult for them to make high payments. Farmers, however, claimed higher payment should be given on account of higher costs of production and a rise in sugar prices by 40% over the previous year. The meeting was called off without inconclusively.

(Source-<http://sugarnews.in/farmer-bodies-in-maharashtra-threaten-to-disrupt-cane-season/>, published on 15th November, 2016)

Maharashtra to bring sugarcane area under drip irrigation, likely to give interest free loans

Maharashtra government is about to formulate a policy to bring all the cin the state under drip irrigation and is thinking over giving zero interest loans to farmers instead of handing over the subsidies to the drip irrigation companies.

"We recently had a meeting with Maharashtra chief minister Devendra Fadanvis. We are thinking of paying the interest rate on the loan that the farmers will have to avail to purchase

the drip irrigation systems instead of the existing system of giving subsidy to the companies," said Nitin Gadkari, union minister of transport.

However, former union agriculture minister Sharad Pawar argued that if drip irrigation is made mandatory then it will be tough to implement in the areas, which are dependent on canal water for irrigation. "Farmers will have to invest in laying pipeline, storage structure to get water. They will have to get access to uninterpreted power supply," he said.

India's sugar production is expected to grow at 3% per annum and to increase productivity from restricted area and to save water in the light of frequent droughts, the industry has been looking at technological solutions like micro irrigation and improved cane varieties.

(Source-<http://sugarnews.in/maharashtra-to-bring-sugarcane-area-under-drip-irrigation-likely-to-give-interest-free-loans/>, 15th November, 2016)

Maharashtra to bring sugarcane area under drip irrigation, likely to give interest free loans

Maharashtra government is about to formulate a policy to bring all the cin the state under drip irrigation and is thinking over giving zero interest loans to farmers instead of handing over the subsidies to the drip irrigation companies.

"We recently had a meeting with Maharashtra chief minister Devendra Fadanvis. We are thinking of paying the interest rate on the loan that the farmers will have to avail to purchase the drip irrigation systems instead of the existing system of giving subsidy to the companies," said Nitin Gadkari, union minister of transport.

However, former union agriculture minister Sharad Pawar argued that if drip irrigation is made mandatory then it will be tough to implement in the areas, which are dependent on canal water for irrigation. "Farmers will have to invest in laying pipeline, storage structure to get water. They will have to get access to uninterpreted power supply," he said.

India's sugar production is expected to grow at 3% per annum and to increase productivity from restricted area and to save water in the light of frequent droughts, the industry has been looking at technological solutions like micro irrigation and improved cane varieties.

(Source-<http://sugarnews.in/maharashtra-to-bring-sugarcane-area-under-drip-irrigation-likely-to-give-interest-free-loans/>, published on 15th November, 2016)

Indian sugar futures rise on higher demand

Indian sugar futures rose on Tuesday aided by higher demand after a week of light trading due to India government's sudden decision to withdraw larger banknotes.

"The sugar prices on the Indian futures exchange are undervalued," said a sugar trader from New Delhi.

The December sugar contract was up about 3 percent at 3471 rupees (\$51.22) per 100 kg, still trading at a discount of over 110 rupees to the spot market price of 3583.90 rupees (\$52.88) at 1229 GMT.

* December soyoil futures were slightly down at 674.05 rupees per 10 kg at 1229 GMT, tracking overseas markets.

* The December soybean contract on the National Commodity & Derivatives Exchange (NCDEX) dropped 1.2 percent to 2995 rupees per 100 kg as cash crunch faced by traders continue to persist.

* The December rapeseed contract fell 1 percent to 4511 rupees per 100 kg.

(Source-<http://in.reuters.com/article/india-grains-idINL4N1DG4A3>, published on 15th November, 2016)

Quote of the day

'Believe in yourself! Have faith in your abilities! Without a humble but reasonable confidence in your own powers you cannot be successful or happy.' -Norman Vincent Peale