

SUGAR

Sugar price drops as crushing season begins

Sugar prices plunged by Rs 60 per quintal at the wholesale market in the national capital on Monday on increased supplies following a beginning of crushing season amid slackened buying by stockists and bulk consumers.

Marketmen said increased availability of sugar in the market following a beginning of a crushing season, mainly weighed on sweetener prices.

However, selective buying by bulk consumers and retailers capped the fall.

Sugar mill delivery M-30 and S-30 prices moved down from Rs 3,550-3,740 and Rs 3,540-3,730 to end at Rs 3,500-3,710 and Rs 3,490-3,700, showing a fall up to Rs 50 per quintal.

In the mill gate section, sugar morna dropped by Rs 60 to Rs 3,510, followed by baghpat and ramala by Rs 50 each to Rs 3,520 and Rs 3,510 per quintal.

Sugar Aanupshaher fell by Rs 40 to trade at Rs 3,520, while sakoti and Nazibabad were down by Rs 30 each to Rs 3,540 and Rs 3,510 per quintal.

On the other hand, sugar ready M-30 and S-30 prices enquired higher by Rs 100 each to conclude at Rs 4,000-4,300 and Rs 3,990-4,290 per quintal on speculators and retailers buying.

Following are today's quotations (in Rs per quintal)

Sugar retail markets – Rs 41.00-45.00 per kg.

Sugar ready: M-30 Rs 4,000-4,300, S-30 Rs 3,990-4,290.

Mill delivery: M-30 Rs 3,500-3,710, S-30 Rs 3,490-3,700.

Sugar millgate (including duty): Mawana Rs 3,610, Kinnoni Rs 3,710, Asmoli Rs 3,640, Doralda Rs 3,610, Budhana Rs 3,620, Thanabhavan Rs 3,600, Dhanora Rs 3,550, Simbholi Rs 3,675, Khatuli Rs 3,680, Dhampur Rs 3,520, Ramala Rs 3,510, Anupshaher Rs 3,520, Baghpat Rs 3,520, Morna Rs 3,510, Sakoti Rs 3,540, Chandpur Rs 3,510, Nazibabad Rs 3,510, Modi nagar 3,595 and Malakpur Rs N.T.

(Source-<http://sugarnews.in/sugar-price-drops-as-crushing-season-begins/>, published on 21st November, 2016)

Bihar millers hike sugarcane price

Sugar mills in Bihar have announced Rs 20-30 per quintal increase in price for sugarcane, notching it up to Rs 280-300 per quintal for the upcoming crushing season. The crushing is expected to start by the end of this month.

The rates were fixed after a series of meeting between the millers and the state government officials. "Despite enormous financial burden over our shoulders, we have accepted the state government's recommendations for a hike to encourage the cane farmers of Bihar," Naresh Bhatt, secretary of Bihar Sugar Mills' Association, told Business Standard. "For the crushing 2016/17 season, millers would pay Rs 280 per quintal for the normal yield variety, up Rs 20 per quintal since last season. Whereas, for premium varieties, farmers will be paid Rs 300 per quintal and that is Rs 30 higher than last season," said the representative. There has been no increase in the price of the low varieties.

This is the biggest hike in the cane prices in Bihar in last few years. After a drought of 4 years, the state has received a normal monsoon this year. Therefore, the millers are expecting a bumper crop this year. According to the millers, they are expecting 6-7 million quintals of cane produced this year. To sweeten the deal for the millers, the state government has decided to waive off the taxes on cane purchases this year, whereas the local taxes have also been heavily slashed. In return, the state government has asked them to buy at least 75% of their purchases from their command areas.

After a lull of more than one and half decades, the recovery rate – the amount of sugar in cane – has also shown tremendous improvement in the state. "Last year, the recovery rate touched a new high of 9.63%, which is highest in last 16 years. This year, we are expecting it to touch 9.85 per cent," said Bhatt. High recovery rate means the higher production of sugar. Therefore, the millers in Bihar expect that the sugar production might touch a new record 6.25 lakh tonne in the upcoming crushing season.

(Source-<http://sugarnews.in/bihar-millers-hike-sugarcane-price/>, published on 21st November, 2016)

UP's hike in sugarcane support price lifts sugar counter

Shares of sugar companies continued to rise on Monday after the Uttar Pradesh government's announcement on Friday of an 8.9% hike in state advised price (SAP) of sugarcane for the current crushing season (2016-17). Stocks such as Mawana Sugars and Oudh Sugar Mills gained between 11.7% and 8%.

Analysts, however, remained cautious on anymore gain in sugar companies' share prices as the sugar prices may not increase further in the run-up to the UP polls.

"There was some upside in stocks of sugar companies because the uncertainty in price hike of sugarcane leading up to the UP elections is now over," said sugar expert Aman Sonthalia of AK Securities. The UP government increased the state sugarcane price by `25 per quintal which was lower than expectations. "There is relief that the hike is not as high as `50 which some people were expecting and that was reflected today in the market."

The government has kept sugar price hikes in check, analysts said, and companies are likely to stick to the current levels of `36-39 per kg. Analysts expect a maximum of 5-10% increase in stocks of sugar companies in the current quarter.

"I don't see the stock price going up significantly for UP-based companies beyond what we have seen today," said Debashish Mazumdar, analyst at Edelweiss Capital. "Even the current increase in the stocks of some companies had already been priced in by the market."

There could be a better opportunity for investors in South-based companies according to Abhishek Jain, head of research at KR Choksey Shares & Securities, which could generate higher profits. "EID-Parry is a better stock at ₹180-200 levels for investors since there's won't be hikes in sugarcane prices if down South."

The Shares of Mawana Sugars closed at high on the news that the company would sell one of its units to Indian Potash for ₹375 crore. Upper, Ganges Sugars was up by 11.2% and Uttam Sugar Mills was up by 3.9% at market close on Monday.

(Source-<http://sugarnews.in/ups-hike-in-sugarcane-support-price-lifts-sugar-counter/>, published on 21st November, 2016)

Mysugar Mill to commence cane crushing from Jan. 15

Minister for Cooperation and Sugar H.S. Mahadeva Prasad said that ongoing overhauling of machinery at the State-owned Mysore Sugar Company Ltd. (Mysugar Mill), which commenced in July last year, would be completed by December.

He was speaking after inaugurating the 63rd National Cooperative Week at Sri Nalwadi Krishnaraja Wadiyar Kala Mandir here on Saturday.

The mill will start crushing activities from January 15, 2017, said Mr. Prasad, who is also the chairman of Mysore Sugar Company Ltd.

Funds

A sum of Rs. 95 crore was already spent on overhauling works of boiler and other machinery. An additional amount of Rs. 11 crore has also been released for the remaining works of the mill.

The Mysugar Mill is considered to be the lifeline of cane-growers in the district, to facilitate the commencement of sugarcane crushing for the 2017-18 season.

Administrative procedures had hindered the pace of the ongoing renovation. The technically validated tests on machines will be conducted in December.

The sugar mill will generate electricity through the co-generation unit from August 2017 by procuring bagasse, Mr. Prasad said.

Mr. Prasad faced some embarrassing moments while addressing the gathering.

Protest

A group of people attempted to disrupt his speech by expressing their unhappiness over the delay in reviving the mill.

They said the State government was least bothered about the sugarcane growers. They demanded that the State government's announce a waiver on farm loans.

Zero interest loan scheme

Meanwhile, the Minister urged small and marginal farmers to use the State government's schemes such as loans and subsidies.

The government had issued Rs. 10,400 crores of loans to around 21 lakh farmers in the last three years, he said.

(Source-<http://sugarnews.in/mysugar-mill-to-commence-cane-crushing-from-jan-15/>, published on 20th November, 2016)

Mawana Sugars up 18% on sale of its UP operating unit

Shares of Mawana Sugars surged nearly 18 percent intraday Monday as it has decided to sell one of its operating units in UP.

"The company has agreed to sell one of the operating units viz. Titawi Sugar Complex (TSC) situated at Titawi, Muzaffarnagar, Uttar Pradesh (UP) as a going concern on an 'As is Where is What is' basis to Indian Potash," as per BSE release.

The sale process is expected to be completed on or before January 31, 2017.

"The company will receive Rs 375 crore inclusive of about Rs 150 crore to be paid to cane farmers of the unit for eliminating long standing overdues," company said in press release.

Mawana Sugars is engaged in manufacturing of sugar products like sugar, ethanol and co-generation and chemical products like caustic soda and Chlorine.

At 11:36 hrs Mawana Sugars was quoting at Rs 48.10, up Rs 5.45, or 12.78 percent on the BSE.

(Source-<http://sugarnews.in/mawana-sugars-up-18-on-sale-of-its-up-operating-unit/>, published on 21st November, 2016)

COGEN

Demonetisation shuts out traders, small firms from coal e-auction

Demonetisation of Rs 500 and Rs 1,000 notes has hit Coal India's e-auction that was meant to offer coal to traders and non-power producers like sponge iron firms, brick kilns and small consumers who do not have a supply commitment from CIL.

Drying up of payments from their customers have resulted in depleting cash in the hand of these coal consumers, which in turn has resulted in them not being able to make upfront advance payments for participating in e-auctions. Lack of cash in the system has been a major problem for coal consumers who use casual labours to load and unload coal on trucks.

Coal India BSE -0.08 % had extended the deadline for payment of advances for participating in e-auctions from November 11 to November 18 in view of demonetisation.

There are a large number of small traders who regularly buy coal through e-auction. They primarily transact in cash with their consumers. This section of the bidders have been finding it difficult to participate in the auctions.

“Traders carry the coal on trucks which is loaded and unloaded by manual labourers. Payments to trucks and labourers are made in cash who do not accept cheques and are not comfortable with fund transfers,” said a coal trader. “This has led to stoppage of coal transport, prompting them not to participate in auctions since they cannot lift the coal,” the person said.

A senior official from a coal consumers association said a large number of medium and small sponge iron manufacturers regularly participating in auctions deal in cash with their customers. “A major portion of this segment are not in a position to pay the advances and is facing the possibility of not being able to participate in the e-auctions.”

Apart from paying an advance to Coal India for participating in the auction, successful bidders need to pay upfront before lifting the coal. Coal India does not generally offer credits to small consumers and traders. This category of consumers, large in number, are now facing hardship in participating in auctions.

(Source-<http://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/demonetisation-shuts-out-traders-small-firms-from-coal-e-auction/articleshow/55550422.cms>)

ETHANOL

Indian govt implements Ethanol blending programme

The Minister of State for Petroleum & Natural Gas Dharmendra Pradhan has informed that the Government, through Oil Marketing Companies (OMCs), has started implementing the Ethanol Blended Petrol (EBP) Programme under which, OMCs sell ethanol blended petrol with percentage of ethanol up to 10 percent.

Also, he said that the Government has allowed procurement of ethanol produced from other non-food feedstocks, like cellulosic and ligno cellulosic materials including petrochemical route.

The Government has fixed the price of ethanol for the ethanol supply year 2016-17 at Rs 39 per litre. Additionally, Excise Duty, VAT/GST and transportation charges (as decided by OMCs) will be paid by OMCs.

OMCs have procured 103 crore litres of ethanol during the ethanol supply year 2015-16.

In 2015, the Government has asked OMCs to target 10 percent blending of ethanol in as many States as possible. A Steering Committee and a Working Group on biofuels have been constituted in Ministry of Petroleum and Natural Gas.

The potential foreign exchange savings due to blending of ethanol for the ethanol supply year 2015-16 is approximately USD 353 Million, informed Pradhan.

Also, the Government had announced a Bio-diesel Purchase Policy in October 2005. In August 2015, the Government has allowed sale of Bio-diesel (B100) by private manufacturers to bulk consumers. Moreover, retailing of bio-diesel blended diesel by Public Sector OMCs has started on 10 August, 2015.

(Source-<http://auto.economictimes.indiatimes.com/news/oil-and-lubes/indian-govt-implements-ethanol-blending-programme/55542274>, published on 21st November, 2016)

Quote of the day

"Gratitude unlocks the fullness of life. It turns what we have into enough, and more."-Melodie Beattie