

SUGAR

FM holds inter-ministerial meeting on banning sugar futures

Finance Minister Arun Jaitley on Monday held an inter-ministerial consultation on imposing ban on sugar futures trading in an effort to curb speculation and check price rise of the sweetener during festival season.

MoS for Food C L Chaudhary, secretaries from Food, Consumer Affairs, Agriculture and finance ministries were present in the meeting.

The meeting comes in the backdrop of the Food and Consumer Affairs Ministry recommending the regulator Sebi to ban sugar futures trade to check prices.

Sugar prices in the retail markets have risen in last few weeks and are ruling at Rs 42 per kg in the national capital.

"We discussed about banning sugar futures trading in the meeting called by the FM. It was an initial discussion and nothing was decided," Chaudhary told *Press Trust of India* after the meeting.

Food Secretary Vrinda Sarup echoed the same and said: "Nothing has been finalised on banning sugar futures." Sugar is largely traded on leading agri-commodity bourse National Commodity and Derivatives Exchange (NCDEX). The exchange has already raised the margin amount to be deposited by both sellers and buyers on its platform.

To check prices, the government recently imposed an export duty of 20 per cent on sugar as part of its efforts to curb outbound shipments and boost domestic supply.

India's sugar production is estimated to decline to 25 million tonnes in the 2015-16 season (October-September) from 28.3 million tonnes in the previous year.

The outlook for the next year is not encouraging as sugar production is pegged lower at 23.26 million tonnes.

However, the industry body ISMA feels that there would be sufficient sugar stock to meet the domestic demand of 26 million tonnes as the country would have an opening stock of 7 million tonnes.

(Source- <http://sugarnews.in/fm-holds-inter-ministerial-meeting-on-banning-sugar-futures/>, published on 22nd August, 2016)

Sugarcane fields sap the life of Krishna

The Almatti Dam is the only reservoir in Karnataka to have filled to capacity this year. This is largely due to good rains in Maharashtra where much of the catchment area is situated. Officials acknowledge that illegal drawing of water regardless of the amount of water supplied for irrigation is a perennial problem.

Not in Karnataka, or in Maharashtra, Andhra Pradesh or Telangana, the four riparian states that have been waging internecine battles for the Krishna for decades. Right along the course of the river, farmers have switched to water-intensive crops such as sugarcane and paddy. As a result, there is overexploitation and dependence on the Krishna river and farmers have taken to drawing water illegally from the canals. "Whether we have water to the brim in the Almatti or whether there is a trickle, there are always pumpsets drawing water illegally," says an irrigation official. Last year, Karnataka saw a spate of farmer suicides, a multitude of them in the Krishna basin. The rains never came, there was no water in the canals and crops died. Debts spiraled and many farmers took the noose.

It is a calming sight to look over the expanse of water gently lapping against the rim of the Almatti reservoir. It is the biggest dam on the Krishna. This year, the rains haven't been great here in northern Karnataka, but the catchments up in Maharashtra have been better blessed, and therefore Almatti is at capacity, 123.08 tmc ft, the only dam in on the Krishna to be full this year.

Dried up paddy fields in Raichur district. Paddy farmers say they can wait another month for it to rain if they have to save the crops. A bone dry Tungabhadra, the biggest tributary of the Krishna, has silenced the squabble between the farmers of Andhra Pradesh, Telangana and Karnataka over water sharing. The canals are dry and filled with mud and small pools of water accumulated due to rain and even that is not spared by the farmers, who are sucking it dry with pumpsets.

Southern Maharashtra and northern Karnataka are sugarcane country. One can travel miles and miles through Satara, Sangli, Karad and Kupwad without seeing a crop other than sugarcane. Yields here are among the highest in the country, with plantations in Sangli producing up to 150 tonnes of cane per acre. As we move into Karnataka, there are punctuations of paddy among the sugarcane and a few commas of maize, toor dal, onions and vegetables. Sugarcane and paddy are water-intensive crops and suck up the lion's share of the Krishna's waters. Drip irrigation is not common.

"Sugarcane and paddy are commercial crops that the farmers will not give up easily. Sugarcane has a fixed price and fetches good returns to farmers. So why will they give it up," asks Basavaraj Kumbar.

Farmers from Karnataka side at the dry riverbed of the Tungabhadra at Rajalabanda Diversion Canal in Manvi taluk of Raichur district. Paddy and other crops have been planted, but there is no water coming from Tungabhadra and everyone is eagerly awaiting rain.

He is an advocate for responsible agriculture. Hailing from the village of Nidagundi, 2 km from the Almatti dam, he has for years been lobbying the government to convince farmers to switch to smart irrigation. "When they (the Water Resources Department) calculate the release of water and how many hectares it will irrigate, they do not take into consideration the illegal pumps," he argues. "If water is supplied to 500 acres, then just one sugarcane plantation in the area is capable of drawing all of the water."

Kumbar demands a network of canals that will fill local ponds when the dam is full. But convincing farmers to be responsible with water is difficult. Kumbar has won the support of local religious leaders to preach wise irrigation practices, and massive subsidies are being offered to anyone setting up drip irrigation systems. It can cost up to Rs 40,000 per acre to set up in a sugarcane field.

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Usual story. The scenario this year is marginally better with the Almatti full, but in the Raichur belt, where fields are wetted by the Tungabhadra, the Krishna's largest tributary, farmers are still apprehensive. This is an area straddling Karnataka, Telangana and Andhra, which receive water from Rajolibanda Diversion Scheme, a chimerical project with the dam in one state, the canals in another and fields in yet another. The waters of RDS are a bone of contention between people of different states, between people of different villages, some using dynamite to blow holes into the canal bund and some throwing stones to deter the theft.

Farmers from Karnataka side at the dry riverbed of the Tungabhadra at Rajalabanda Diversion Canal in Manvi taluk of Raichur district. Paddy and other crops have been planted, but there is no water coming from Tungabhadra and everyone is eagerly awaiting rain.

This conflict in microcosm is reminiscent of historic battles of many kingdoms, chiefly Vijayanagar and the Bahmanis, who fought bitter battles over the rich Raichur doab. Today there are no wars, but sharp internecine interstate disputes.

"Are you from the Water Resources Department?" sunflower farmer Thimmaiah Bajantri asks us. He and his neighbour Mahantesh own around four acres of land each here and plant cotton, sunflower and maize. They are dependent on rainfall and irrigation from the left bank canal of the RDS. Having already sown during a good spell of rain three weeks ago, they are now worried. The rains have stopped and the channel is dry, dotted with muddy puddles here and there. Borewells are not feasible here, because of the high salinity of the water they cough up.

"I don't think there is going to be any water from the canal this year too. If it doesn't rain, we are doomed," Mahantesh says. Even if there is water in the canals, by the time it reaches his farm, it is but a trickle.

"Who will listen to us? We are not important people," Mahantesh shrugs. "We are not like Andhra farmers. They are ready to kill and be killed to get their work done. We are not like that. We just work in our fields and go home. We do not get involved at all." Mahantesh talks about the violent agitations that have taken place at RDS over water sharing in the last three decades. There have been attempts by farmers on the Telangana side to breach the sluice walls with explosives.

There's disagreement even on the name of the place. It is situated next to Rajalabanda village in Raichur district, but on the Telangana side, it is referred to as Rajolibanda. Even in the mid-monsoon this year, the RDS site is eerie. The riverbed is a cracked-up droughtscape, the canals are dry, the reservoir is filled with silt, at some places almost as high as the wall of the anicut. "What is there to fight for now? There has been no water for two years," says Ellaiah, a paddy grower from Rajalabanda, who reckons his paddy crop will go bust if there's no rain in the next three weeks.

The dry river bed is an opportunity for contractors to mine the sand. On the other side, trucks are being filled with sand dredged from the river bed. It's a lucrative business which feeds into the housing industry in Bengaluru. A fleet of trucks, all bearing no registration plates, rumble onto the roads, carrying the stolen sand of the Krishna.

As he passes Ellaiah, the driver of one of the truck leans out of the window and complains that the quality of sand is poor.

(Source- <http://sugarnews.in/sugarcane-fields-sap-the-life-of-krishna/>, published on 23rd August, 2016)

Cane Growers urge CM to take steps for reopening of EID Parry sugar mill

Sugar cane growers supplying cane to the EUD Parry sugar mill at Ariyur here today urged Chief Minister V Narayanasamy to take immediate steps to reopen the defunct sugar mill. Representatives of Tamil Nadu Cane growers association and cane growers supplying cane to ED parry mill today called on the Chief Minister and submitted a memorandum seeking his intervention to ensure the reopening of the sugar mill and to disburse pending cane price to the tune of Rs.27 crore to the farmers.

The EID Parry sugar mill which was functioning right from 1963 at Ariyur remained closed for the last one year citing loss. This affected around 10,000 farmers of 40 villages supplying cane to the mill. The farmers also demanded that the crushing season for 2016-17 be commenced forthwith and provide Rs.4000 per ton of sugar cane and not transfer the cane registered for EID Parry mill to any other mills. Farmers told news persons that Chief Minister has assured them to invite the mill management and cane growers for talks after the budget session of the territorial assembly, to take steps for the re-opening of the sugar mill.

(Source- <http://sugarnews.in/cane-growers-urge-cm-to-take-steps-for-reopening-of-eid-parry-sugar-mill/>, published on 22nd August, 2016)

Co-gen/Power

India adds 3.6 GW to solar capacity

India's total installed solar capacity has grown by over 80% in the last 12 months to reach 8.1 GW. Out of the 3.6 GW capacity added in this period, 2.7 GW has come from four southern states with Tamil Nadu alone adding over 1.2 GW. These six states account for 80% of the capacity added in India.

Data compiled by Bridge to India indicates that Tamil Nadu now ranks number 1 for commissioned capacity in both wind and solar. Feed in tariff for solar has been about Rs 7.01 unit

Including the current pipeline of 14 GW, 55% of total current and planned capacity will be located in four southern states; fresh demand from these states is expected to be muted

Market growth beyond 2018 will depend on fresh demand coming from states such as Maharashtra, Gujarat and Uttar Pradesh

As of date, three western and central states of Rajasthan (1,307 MW), Gujarat (1,112 MW) and Madhya Pradesh (756 MW) and three southern states of Tamil Nadu (1,368 MW), Andhra Pradesh (961 MW) and Telangana (923 MW) account for around 80% of India's total installed solar capacity as against only 38% of India's overall power consumption.

The remaining 23 states including some of the largest power consuming states like Maharashtra, Karnataka and Uttar Pradesh account for just 20% of the installed capacity.

In the initial phase of solar sector development in India, until 2014, bulk of solar capacity addition came up in Rajasthan, Gujarat and Madhya Pradesh (57% of total). But the southern states have taken decisive lead in the last year driven primarily by their growing power needs.

An analysis of recently completed tenders totalling over 14 GW shows that this trend is likely to continue over the next 2 years with the southern states accounting for 60% of this pipeline (8.7 GW). Karnataka has the largest pipeline of projects, 3.3 GW in total, under various stages of development.

"Such heavy regional concentration of solar capacity addition raises two key issues. First, where is future demand going to come from? This is a growing concern for the sector as India faces a unique problem of excess power supply and most of the big power consuming states seem understandably reluctant to set up new solar capacities," said Jasmeet Khurana, associate director - consulting, from Bridge to India

"Second, grid balancing and management would become increasingly critical for sustainable growth of the sector. The government is planning upgrades of transmission infrastructure through its green energy corridor program, but such projects take much longer than the 12-18 months it takes to commission a solar project. States with high renewable penetration including Tamil Nadu and Rajasthan are already facing significant grid curtailment upsetting project cash flows and return expectations of investors," he said.

(Source- http://economictimes.indiatimes.com/industry/energy/power/india-adds-3-6-gw-to-solar-capacity/articleshow/53823001.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst, published on 23rd August, 2016)

Re-envisaging renewable energy potential in NE

India is battling with a two-pronged problem of environment as well as energy crisis. Together with its prolonged struggle to remove the evils of inequality, poverty and improvement of the human development indicators, a constant degradation of environment and ecological destruction has become a runaway problem, leaving a large section of the population in the country as energy poor.

According to a study conducted by the Centre for Science and Environment (CSE) New Delhi, about 300 million people have no access to electricity. And the biggest challenge before the nation is to figure out sustainable ways to meet its energy requirements without compromising the ecological balance and the looming danger of climate change.

Experts from the field of renewable energy are of the view that the current energy policy of 2006 is primarily focused on developing fossil fuel resources for electricity and direct use of oil and gas for transport, industrial usage and cooking. Advocates of change argue that mere shift to renewable electricity will be insufficient. There is a larger need to adopt a renewable electricity future that is affordable and accessible to all.

The research carried out by the CSE in 2013-14, the average per capita per annum consumption of electricity was only 957 units which has been estimated to have increased to 1,010 units a year. According to the Ministry of Power, out of a total of 5, 97,464 villages in India, 5,79, 209 villages have been electrified as on June 12, 2016. It has been a traditional custom to depend on the grid expansion as a means to achieve high electrification rates in a

country like India. But the practice has faced a challenge and has largely failed to provide proper supply of electricity to the poor for a plethora of reasons, most prominent being willingness of the distribution companies to supply power and political interference.

(Source-<http://indianpowersector.com/2016/08/re-envisaging-renewable-energy-potential-in-ne/>, published on 24th August, 2016)

Indian Railways: Coal freight revision cost-neutral; analysts say power stations could raise tariff

Stung by negative growth in freight revenue in the June quarter, Indian Railways on Tuesday hiked the cost of freight for several consumers of coal, the commodity that accounts for 45% of its receipts from transportation of goods: it raised the freight rates by 7-14% for distances between 200-700 km and imposed a Rs 55/tonne extra charge on both loading and unloading. At the same time, it reduced the freight for long-lead traffic by 4-13%.

The tariff increase will increase the fuel costs of power stations and cement units closer to pitheads, while units far away from coal mines could see their fuel/input costs decline. A power company official said electricity from plants less than 700 km from pitheads could become costlier by 8-10 paise/unit.

With Tuesday's freight changes, for a lead of 497km, the new tariff would be Rs 712/tonne as against Rs 702/tonne earlier; for a longer lead of 1,800 km, the new freight would be Rs 2,138/tonne compared with Rs 2,343 earlier.

Railway officials said the tariff revisions would aid capacity utilisation.

(Source-<http://indianpowersector.com/2016/08/indian-railways-coal-freight-revision-cost-neutral-analysts-say-power-stations-could-raise-tariff/>, published on 24th August, 2016)

Quote of the day

'Think big thoughts but relish small pleasures.'- H. Jackson Brown, Jr.