

## SUGAR

### Sugarcane growers in a fix over govt order

As many as 3,000 farmers in the district who cultivate sugarcane are in a fix as they do not know what to do with the jaggery that has come to yield.

They are unable to get remunerative price or MSP on their crop. Moreover, they are unable to transport it to the factory.

Furthermore, the State government has imposed restrictions on the burning of jaggery. Speaking to The Hans India here on Sunday, a farmer Balaiah, lamented that he doesn't know what to do with the crop with so many constraints.

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He said that last year, there were no sufficient rains but he toiled hard to grow sugarcane on his two-acre of land. He said that he used to water the crop once in a week after digging bore wells.

It is not only the plight of Balaiah but several other farmers in Kamareddy and Nizamabad district who sowed sugarcane. They can neither sell their crop nor prepare jaggery.

In Kamareddy district, farmers cultivated sugar on 8,200 hectares of land. The cultivation of sugarcane, particularly in Bibipet, Machareddy, Domakunta, Bhikkanur, Tadvai, Sadashivnagar, Ramareddy and Gandhari mandals is higher than that of paddy crop.

In these mandals, the availability of water is less and the ground water resources are insufficient. As a result, the sugar crop could be cultivated only once in a week.

That is why, farmers show more interest in preparing jaggery from the crop than taking it to the factory for selling it.

Kamareddy district is known for producing large quantities of jaggery and the farmers used to earn MSP on their product. They used to burn sugarcane in their agricultural fields and prepare jaggery.

However, with the government imposing restrictions on the burning of sugarcane, farmers are in a fix. A farmer from Machareddy, Ramaiah, said that they were overjoyed when the sugarcane crop came to yield and thought of coking jaggery by burning of sugarcane.

But now, the decision of the government to impose restrictions on burning of sugarcane has come as a bolt from the blue, he lamented. He wondered as to how he could prepare jaggery and clear his loans.

Another farmer Narsimhlu said that they do not have enough money to transport sugarcane to the factory. They expressed the hope that the State government would do something to mitigate their sufferings.

(Source-<http://www.thehansindia.com/posts/index/Khammam-Tab/2016-12-26/Sugarcane-growers-in-a-fix-over-govt-order/270368>, published on 26th December, 2016)

## Sugar stocks scripted a sweet story in 2016; some may surge in 2017 too

No more bittersweet deals, please!

Calendar year 2016 brought happy moments for investors of sugar stocks, which surged up to 360 per cent. Rising prices of the sweetener in the domestic as well as international markets supported the sector throughout the year. Market experts see value in selected sugar companies and believe they can surge up to 50 per cent in 2017.

On an average, sugar majors have surged over 75 per cent this year compared with 38 per cent and 32 per cent returns that they generated in 2015 and 2014, respectively.

Among the listed sugar players, shares of KM Sugar Mills BSE -1.41 % rallied the most at 359 per cent to Rs 22.95 till December 15 from Rs 5 on December 31 last year. Among others, Indian Sucrose BSE 0.00 %, Upper Ganges and Gayatri Sugars also climbed 326 per cent, 312 per cent and 283 per cent, respectively, during this period.

Other companies like Dwarikesh Sugar BSE 1.09 %, Oudh Sugar Mills, Mawana Sugars, DCM Shriram Industries BSE -1.13 %, Piccadily Sugar, Dalmia Bharat, Dhampur Sugar, Rajshree Sugars and Bannari Amman advanced between 75 per cent and 190 per cent in this period.

G Chokkalingam, Founder, Equinomics Research and Advisory, said: "There is a huge fundamental shift in the sector. Sugar companies surged on account of a rise in domestic sugar prices. However, we see some bubbles in the smallcap sugar stocks. For 2017, most of the stocks have already priced in the positives. One has to be selective while selecting sugar stocks. I am bullish on Andhra Sugar and KCP Sugar and see nearly 30-50 per cent upside over the next 12 months."

On a year-to-date basis, Andhra Sugar and KCP Sugar advanced 48 per cent and 5 per cent, respectively.

Sanjiv Bhasin, EVP-Markets, IIFL, said: "Soft commodities are doing well. Sugar stocks will continue to give good returns to investors in 2017 as well. However, demonetisation of high-value currency notes may impact their performance in the near term. We are expecting nearly 25 per cent return from DCM Shriram, EID Parry and Balrampur Chini BSE 1.05 % in the next one year."

On a year-to-date basis, shares of DCM Shriram, EID Parry and Balrampur Chini have advanced 141 per cent, 30 per cent and 70 per cent, respectively.

Overall, it was a turnaround year for most of the sugar companies in terms of profit growth.

For the half year ended September 30, 2016, companies like Shree Renuka Sugar, EID Parry, Dhampur Sugar, Balrampur Chini, Oudh Sugar Mills and Bannari Amman reported net profit of Rs 5.70 crore, Rs 141.28 crore, Rs 72.95 crore, Rs 216.70 crore, Rs 37.83 crore and Rs 67.40 crore,

respectively, against net losses of Rs 301.40 crore, Rs 172.40 crore, Rs 95.14 crore, Rs 83.95 crore, Rs 81 crore and Rs 59.97 crore in the year-ago period.

Some others narrowed net losses during the first half of the financial year.

Prices of sugar as a commodity surged nearly 13 per cent on a year-to-date basis till December 15, according to the data available with NCDEX.

**(Source-<http://economictimes.indiatimes.com/markets/commodities/news/sugar-stocks-scripted-a-sweet-story-in-2016-some-may-surge-in-2017-too/articleshow/56152684.cms>, published on 25th December, 2016)**

### **Sugar output may fall 30% in Kolhapur division**

The Kolhapur division, which accounts for 40% of total sugar production in state, is staring at a 30% drop in output this year.

Officials from the regional sugar director's office on Friday said sugar production in the division, comprising Kolhapur and Sangli districts, may dip by 30% owing to the poor monsoon last year.

A senior official from the office told TOI that the region crushed 227 lakh metric tons of sugar cane in 2015-16. "However due to the lower yield in the aftermath of the poor monsoon, the crushing is expected to come down to 175 to 180 lakh metric tons this year, reflecting a 30% drop.

"The sugar cane yield has come down significantly. The normal time of crushing takes seven to eight months, however, the same will end within four months (by February) this year. The situation is no better in Karnataka either and all this combined together could affect the prices of sugar in the state," he said, adding that the final impact will be known later as the government policies will decide the prices of sugar. "If there is no change in the rates, it would be in the favour of the sugar mills," he said.

The poor monsoon last year had resulted in reduced area under cultivation for sugar cane. Even the area that was under cultivation did not get enough water, leading to lower yield. The Kolhapur division is known for the highest recovery of around 11.50%, which is higher than the average recovery of the state of around 9.5%.

The official further said there are 41 sugar mills in the division. "The cane crushing started on November 5 and as per the available data, the mills have crushed 68.26 lakh metric tons from till December 22 and produced 77.80 lakh quintal of sugar, reflecting a 12.54% recovery.

The good monsoon this year could attribute to a bumper production of sugar in the next season. This could result in a drop in sugar prices in 2017. "However, there is no respite in the offing this year as far as the sugar prices are concerned," the official added.

**(Source-<http://sugarnews.in/sugar-output-may-fall-30-in-kolhapur-division/>, published on 24th December, 2016)**

## **Modernisation work at sugar mills inspected**

The Managing Director of Tamil Nadu Sugar Corporation Limited, Mahesan Kasirajan, inspected the modernisation works under way at the Arignar Anna Sugar Mills at Kurungulam on Tuesday.

Accompanied by Collector A. Annadurai, he inspected the various works being carried out as part of the Rs.118-crore modernisation project at the mill.

He instructed the officials to complete the modernisation and works on establishing a co-generation plant in the mill at the earliest, an official release issued here said.

He also assured to take up with the government representations made by the farmers.

**(Source-<http://sugarnews.in/modernisation-work-at-sugar-mills-inspected/>, published on 21st December, 2016)**

## **COGEN**

### **Bio-ethanol plants in all Punjab districts: Sukhbir Singh Badal**

**Punjab Deputy Chief Minister Sukhbir Singh Badal today said that bio-ethanol plants would come up in every district of Punjab to tackle the problem of pollution due to bio-mass burning.**

Punjab Deputy Chief Minister Sukhbir Singh Badal today said that bio-ethanol plants would come up in every district of Punjab to tackle the problem of pollution due to bio-mass burning. Badal was addressing a gathering after laying the foundation stone of the first bio-ethanol plant of Punjab at Tarkhanwala village in the presence of Union Minister for Food Processing Industries Harsimrat Kaur Badal. He said that this would also augment the income of farmers in the state.

MLA from Talwandi Sabo Jeet Mohinder Singh Sidhu and Executive Director of the Hindustan Petroleum Corporation Limited Anil Pande were also present on the occasion.

Badal said the establishment of this bio-ethanol plant would benefit both Punjab and the rest of the country, apart from the farming community.

He also said Punjab would become pollution-free with this plant coming to fruition and Malwa region would be more prosperous.

The Deputy Chief Minister said the state has been a witness to unprecedented development during the past 10 years and during the next 5 years, the SAD-BJP government has set a target to make all the streets and drains of all the villages of the state concretised, besides providing solar lights and sewerage along with clean drinking water.

He also divulged that on forming the government for third consecutive time, the SAD-BJP government would construct colonies in the villages, thereby providing 5 lakh houses to the poor.

He said that in addition to the existing 200 skill centers, during the course of next 5 years, one skill centre would be constructed for every 5 villages.

Taking pot-shots at PPCC President Captain Amarinder Singh, the Deputy Chief Minister said the Congress party is being run by PK (poll strategist Prashant Kishore) in Punjab who has no knowledge about the history and culture of the state.

Quipping on the form filling drive of the Congress regarding loan waiver, Badal said that if Captain Amarinder is so serious about this issue, then he should give an undertaking that he would donate his palace to the people of Punjab in case he fails to live up to his promise.

Calling Congress an "anti -Punjab" party, the Deputy Chief Minister said that this party is riddled with the factionalism and party vice president Rahul Gandhi is also contributing to the downfall of the party which would suffer a fate far worse than 2012.

He also said that being rock solid SAD-BJP alliance, it would give a crushing defeat to Congress and AAP.

On the occasion, Union Food Processing Minister Harsimrat Kaur Badal said that this plant would come up at village Nasibpura and would aide in improving the environment.

Harsimrat said this plant would be established in 49 acres and oil from bio-mass will be produced for vehicle consumption and domestic gas, besides fertilisers.

The Union Minister also said that the Hindustan Petroleum Corporation Limited would open 12 such plants across the country and beginning has been made from Punjab.

Criticising the "anti people polices" of the Congress and AAP, she appealed to the people to ensure forming of SAD-BJP government again so as to further accelerate the pace of development in the state.

She said the plant would have the consumption capacity of 400 tonnes of bio-mass daily with a capacity to produce of 100 kilo litres of ethanol daily to the tune of an annual production capacity of 3.20 crore litres ethanol.

She also said this would result in fulfilling 26 per cent ethanol related need of the state.

Divulging more, the Union Minister said that around 1200-1300 people would get employment as a result of this plant, whereas 3 lakh farmers would be able to earn more than Rs 19.20 crore annually.

She also added that the project would see preparing of 32000 metric tonnes of bio fertiliser annually which would increase productivity of the soil of the state. Apart from this, the plant would also manufacture CNG which would be used for domestic gas and vehicles.

In his address through video conferencing, Union Minister of State for Petroleum and Natural Gas Dharmendra Pradhan said that the plant would augment the income of the farmers selling their bio-mass to the plant and furthermore the environment of the state would also be saved from pollution.

Pradhan could not attend the function due to inclement weather.

On the occasion, Anil Pandey said this plant would increase the prosperity of farmers besides ridding the region of the menace of pollution.

The capacity of Guru Gobind Singh refinery is being increased from 9 million metric tonnes annually to 12 million metric tonnes which would fulfil the oil related needs of the north Indian region, she added.

**(Source-<http://www.financialexpress.com/india-news/bio-ethanol-plants-in-all-punjab-districts-sukhbir-singh-badal/486227/>, published on 25th December, 2016)**

## **New power tariff structure in works, large domestic consumers to be charged more**

The burden of subsidising the power bills of agricultural and low-income families is set to move from industrial consumers to large domestic and commercial consumers of electricity.

The government plans to introduce a new tariff structure to charge more from large domestic power consumers rather than industrial units that currently share the cross subsidy burden.

Most states categorise households consuming more than 800 units of power a month as large domestic consumers. The government is also working on simplifying tariff patterns by classifying consumers in two to three categories and sub-categories to bring transparency in power billing.

An expert committee has been set for this. It comprises senior officials from various states and the power ministry to work on the new tariff structure that encourages energy conservation by residential consumers and reduces the power bill of industrial consumers.

The committee is also studying the possibility of increasing fixed charges on connected load of domestic consumers to encourage them to surrender unutilised load.

Most states continue with electricity tariff structures created since their formation and are often criticised for political interventions and biases against industrial units that, despite being regular payees, are levied cross-subsidy and other charges. Domestic power consumption, on the other hand, is subsidised, though tariffs increase with consumption.

**(Source-<http://economictimes.indiatimes.com/industry/energy/power/new-power-tariff-structure-in-works-large-domestic-consumers-to-be-charged-more/articleshow/56174343.cms>, published on 26th December, 2016)**

### **Quote of the day**

'Men are not prisoners of fate, but only prisoners of their own minds.' -Franklin D. Roosevelt