

NEWS FLASH –29th July, 2016

SUGAR

Expect sugar to do well; prices to improve: Ponni Sugars

There has been a turnaround in functioning of all sugar companies this quarter because of the change in the fundamentals of sugar balance sheet, both globally and domestically, N Ramanathan, Managing Director of Ponni Sugars told CNBC-TV18. He said the company has been able to crush more sugarcane and improve sugar production this year. This, along with an improvement in realisation as well as sales volumes, has boosted both topline and bottomline. Ramanathan expects sugar to do well for another year.

“Sugar prices, from what they are, can improve by another couple of rupees”, he said.

(Source- <http://sugarnews.in/expect-sugar-to-do-well-prices-to-improve-ponni-sugars/>, published on 27th July, 2016)

Government plans to re-introduce release order mechanism to check surging sugar prices

In a throwback to the release order mechanism days, the central government is mulling whether to impose stock limits for sugar millers and restrictions on domestic sales by fixing a quota on each mill, to tame retail prices, currently Rs 43 a kg.

Food Secretary Vrinda Sarup reviewed the price situation here on Thursday in a video conference interaction with sugar producing and consuming states.

“Prices are rising because of tight supply, created mostly by holding of stocks by millers. We are looking at stock limits and to reintroduce the monthly release mechanism,” a senior ministry official told PTI after the meeting. At present, stock holding limits are in place on dealers/traders, not on millers.

Currently, there is a stock holding limit on a dealer or trader for up to 500 tonnes for all states, barring West Bengal. The limit for a dealer/trader in Kolkata and extended areas of Bengal is 1,000 tonnes.

Under the release order mechanism, the central government decided how much each mill would sell in the open market. This mechanism was scrapped in 2013, when the sugar industry was partially decontrolled.

To curb prices, the government recently imposed a 20 per cent export duty on sugar and withdrew the cane production subsidy to mills.

Sugar prices are rising as domestic production is estimated to decline to 23-23.5 million tonnes in the 2016-17 marketing year (October-September), as against 25.1 mt in the current year.

Earlier during the day, former agriculture minister Sharad Pawar said prices were expected to remain under pressure due to an estimated supply gap of 3.5-4 mt in 2016-17.

(Source- http://www.business-standard.com/article/economy-policy/government-plans-to-re-introduce-release-order-mechanism-to-check-surging-sugar-prices-116072801470_1.html, published on 29th July, 2016)

Demand supply gap to push sugar prices up next year: Sharad Pawar

Sharad Pawar asked the industry to be prepared for any government action, including the possibility of import of raw sugar to boost domestic supply and check prices.

Sugar prices are expected to remain under pressure due to an estimated supply gap of 3.5-4 million tonnes in the next marketing year starting October, former Agriculture Minister Sharad Pawar said on July 28.

The Nationalist Congress Party (NCP) supremo also asked the industry to be prepared for any government action, including possibility of import of raw sugar to boost domestic supply and check prices.

"This year, sugar production situation is good. But I don't see similar situation in the next year. In 2016-17, there will be 3.5-4 million tonnes gap in demand and supply," Pawar said at the 74th annual convention of the Sugar Technologists' Association of India (STAI).

Sugar rates, which at present are ruling in the range of Rs 34-38/kg, may come under pressure due to a likely gap in supply and demand, he said.

"Next year, with a gap of 3.4 to 4 million tonnes of sugar, there will definitely be an impact on prices and the government will take some steps and the industry should be ready for that," he noted.

The government has projected sugar output to decline to 23-23.5 million tonnes in 2016-17 marketing year (October-September), as against 25.1 million tonnes in the current year. Meanwhile, industry body Indian Sugar Mills Association (ISMA) has pegged sugar output at 23.26 million tonnes for next year.

Pawar said the country's sugar demand is around 25.6 million tonnes and is expected to grow at 3-4 per cent per annum. By 2020, sugar demand is pegged at 30 million tonnes.

Apprehensive about the government's policies to check price rise in sugar, Pawar asked the industry to be prepared for the possibility of sugar imports.

"A suggestion has been made to import raw sugar to bridge the gap. There are other alternatives and I hope the government will take appropriate action," he said.

To curb price rise in sugar, the government has recently imposed 20 per cent export duty on sugar and withdrawn cane production subsidy to the mills.

Expressing concern over low cane productivity and cyclic nature of the crop, Pawar urged the government to take “proactive steps” to promote modern technologies, including genetic engineering to address biotic and abiotic stress.

He also said that a Pune-based institute has developed a transgenic sugarcane plant, and the government should allow field trial of it in restricted areas under the supervision of agriculture universities.

The NCP leader said that Indonesia has developed saline and drought-resistant cane variety and the government should “give a serious thought to this” if the variety has given good results.

Pawar asked the sugar mills to take ethanol blending programme seriously and ensure sufficient supply to the oil marketing companies (OMCs).

“I am informed that distilleries are not able to meet the requirement of OMCs. I think, time has come you take this seriously. There may be some hurdles and this should be sorted out amicably,” he advised.

Not only cane crop productivity should be raised, the mills should use modern technologies to reduce cost and make more viable business, he added.

Former President Pratibha Devisingh Patil asked the industry to focus on use of drip irrigation in cane cultivation and also favoured use of GM cane varieties to boost crop yields.

She urged the sugar technologists to work on developing small size machines for use in cane farming while suggesting sugar mills to focus on energy conversion and conservation.

“There is immense scope to improve production both in field and factory, for which technology is the key,” she added.

(Source- <http://indianexpress.com/article/india/india-news-india/demand-supply-gap-to-push-sugar-prices-up-next-year-sharad-pawar-2940680/>, published on 28th July, 2016)

Co-gen/Power

35 hydro power projects awaiting concurrence by CEA: Govt

Of the 50 proposals received from various states for setting up hydro power projects, 35 are awaiting the CEA concurrence or appraisal, Parliament was informed today.

“Presently, 50 proposals for setting up of hydro electric projects have been received from various states in Central Electricity Authority (CEA) for concurrence/appraisal,” Power Minister Piyush Goyal informed the Lok Sabha.

The minister further said that 15 hydro electric projects (HEPs) have been concurred by CEA.

"As per Section 7 of the Electricity Act 2003, any generating company may establish, operate and maintain a generating station without obtaining a license/permission under this Act, if it complies with the technical standards relating to connectivity with the grid," the minister said.

Accordingly, sanction of the government is not required for setting up of thermal power projects. However, for setting up of hydroelectric power projects, the detailed project reports (DPRs) are required to be submitted for concurrence of CEA, he said

(Source- <http://indianpowersector.com/2016/07/35-hydro-power-projects-awaiting-concurrence-by-cea-govt/>, published on 29th July, 2016)

Madhya Pradesh, Tamil Nadu among 4 states to join UDAY soon

Four states, including Madhya Pradesh, Telangana and Tamil Nadu, may soon join the Centre's UDAY scheme meant for revival of debt-stressed power distribution companies.

"Power Ministry talks with Madhya Pradesh, Telangana, Tamil Nadu and Puducherry on UDAY scheme are at advance stages. These states are likely to join the scheme very soon," a source said.

Madhya Pradesh can formally ink the agreement in a few weeks, the source said.

Madhya Pradesh discoms have an accumulated debt of Rs 35,000 crore. The state is estimated to get benefit to the extent of Rs 11,500 crore during next three years of the turnaround. Following the reforms, it could go up to Rs 14,500 crore annually.

In the case of Tamil Nadu, the source said the total debt is Rs 67,000 crore, including around Rs 46,000 crore in the distribution segment. It is estimated that during three years of the turnaround, the state will get cumulative benefit of Rs 18,600 crore. After three years, the annual benefits are estimated at Rs 22,420 crore.

Power Minister Piyush Goyal has recently met Tamil Nadu Chief Minister J Jayalalithaa in an effort to get the state on board on UDAY.

Similarly, Telangana discoms' debt stands at around Rs 6,700 crore. For the three years of reforms, the cumulative benefit is estimated at Rs 6,000 crore, following which the state will see it go up to Rs 6,100 crore annually.

(Source- <http://indianpowersector.com/2016/07/madhya-pradesh-tamil-nadu-among-4-states-to-join-uday-soon/>, published on 29th July, 2016)

India's Ease of Electricity rank jumped 29 points in one year, says World Bank report

India ranks 70 among 189 economies on ease of getting electricity due to positive reforms that have aided ease of doing business in the country, according to a latest report by The World Bank.

India has jumped by a whopping 29 points from 99 last year, the report said.

Getting an electricity connection in India takes an average 90.1 days with nearly five procedural steps, the bank's Ease of Doing Business Report 2016 said.

Faster and enhanced convenience in 'Getting Electricity' has been the biggest contributor in making India improve its position by 12 ranks climbing to 130 as compared to 142 a year ago in terms of the overall Ease of Doing Business.

It said power utilities in Delhi and Mumbai have reduced time for getting an electricity connections by improving internal work processes.

(Source- <http://indianpowersector.com/2016/07/indias-ease-of-electricity-rank-jumped-29-points-in-one-year-says-world-bank-report/>, published on 28th July,2016)

122 agency schools in Vizag to get solar water heaters

In a bid to provide better facilities to tribal students in Ashram schools in Visakha agency, the district administration is arranging solar water heaters in around 122 schools. The move will benefit students in the agency area where temperatures fall to below 5 degrees Celsius during winters.

Ashram schools meant for the education of tribals were started by the GoI's tribal welfare ministry and are maintained by the state governments. In the first phase, the TDP government will provide solar water heaters to 41 girls' schools, of which it has already installed heaters in 22 schools. Apart from the solar heaters, the tribal students are also being provided bunk beds.

The total cost of each plant will be Rs 4.5 lakh, of which the New and Renewable Energy Development Corporation (NEDCAP) will pay Rs 1.4 lakh and the remaining will be provided by the tribal welfare department.

(Source- <http://indianpowersector.com/2016/07/122-agency-schools-in-vizag-to-get-solar-water-heaters/>,published on 28th July, 2016)

ETHANOL

New way to turn carbon monoxide into biofuel

Scientists have found a way to make the biofuel ethanol, using a bacteria that feeds on carbon monoxide – a common industrial waste gas.

To make biofuel from inorganic, gaseous industrial waste, the researchers learned that the bacterium *Clostridium ljungdahlii* responds thermodynamically – rather than genetically – in the process of tuning favourable enzymatic reactions.

“Instead of having the waste go to waste, you make it into something you want. In order to make the microbes do our work, we had to figure out how they work, their metabolism,” said Ludmilla Aristilde, assistant professor at Cornell University in the US.

Synthetic gas – or syngas – fermentation is emerging as a key biotechnological solution, as industrial-sized operations are looking to produce ethanol from their gaseous waste streams, according to Lars Angenent, professor at Cornell.

The scientists sought to grasp the physiological nature of the process.

“These findings are important for the syngas fermentation community to design future strategies to improve production,” Angenent said.

The scientists found the microbe feasts on and then ferments carbon monoxide.

“The bacterial cells are starving for nutrients, so they are responding metabolically – which leads to a desired outcome, ethanol production,” Aristilde said.

To get the microbe to ferment the carbon monoxide, scientists “bubble it in the growth medium solution,” said Angenent, where the cells can feed on it.

Angenent said carbon monoxide gas emitted as a byproduct of heavy industries – such as the process for coking coal in the production of steel – can potentially be channelled to bioreactors that contain these bacterial cells.

“The microbial cells then turn it into ethanol, an organic molecule. And carbon monoxide, an inorganic molecule, turns into something valuable we can use,” said Aristilde.

The study was published in the journal Energy and Environmental Science.

(Source- <http://sugarnews.in/new-way-to-turn-carbon-monoxide-into-biofuel/>, published on 28th July, 2016)

Quote of the day

‘Any idea, plan, or purpose may be placed in the mind through repetition of thought.’
- **Napoleon Hill**