

INTERACTIVE SESSION WITH STATE COOPERATIVE SUGAR FEDERATIONS

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FACTORIES LTD., NEW DELHI**

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LIST OF TOPICS

1. FINAL CRUSHING REPORT OF SY 2019-20
2. INDIA SUGAR BALANCE SHEET
3. GLOBAL SUGAR BALANCE SHEET
4. HIGHLIGHTS OF NITI AAYOG RECOMMENDATIONS
5. GOI'S INCLINED POLICIES FOR SY 2020-21
6. KEY FOCUS AREAS FOR MAHARASHTRA

STATEWISE CRUSHING REPORT FOR THE SUGAR SEASON 2019-20

S.no	State	Total Number of Mills Operated		Actual Cane crushed in Lmts		Sugar Production in Lmts		Average Recovery (%)	
		SY 2019-20	SY 2018-19	SY 2019-20	SY 2018-19	SY 2019-20	SY 2018-19	SY 2019-20	SY 2018-19
1	Uttar Pradesh	119	119	1113.22	1032.31	126.35	118.20	11.35	11.45
2	Maharashtra	147	195	545.13	951.20	61.60	107.20	11.30	11.27
3	Karnataka	63	67	346.46	409.43	34.30	43.40	9.90	10.60
4	Gujarat	15	16	86.11	103.70	9.30	11.20	10.80	10.80
5	Andhra Pradesh	12	18	30.60	54.26	2.80	5.10	9.15	9.40
6	Bihar	11	11	68.57	80.77	7.20	8.40	10.50	10.40
7	Haryana	14	14	68.90	67.57	7.20	7.00	10.45	10.36
8	Madhya Pradesh	18	18	36.73	43.50	3.60	4.35	9.80	10.00
9	Punjab	16	16	56.25	77.34	5.40	7.85	9.60	10.15
10	Tamil Nadu	26	35	75.43	90.50	6.60	8.10	8.75	8.95
11	Telengana	6	7	13.46	24.76	1.40	2.60	10.40	10.50
12	Uttrakhand	7	7	43.69	36.36	4.50	4.00	10.30	11.00
13	Rest of India	6	8	13.53	15.79	1.15	1.50	8.50	9.50
	ALL INDIA	460	531	2498.09	2987.50	271.40	328.90	10.86%	11.01%
Contribution by Top Three Sugar Producing States		71.52%	71.75%	80.25%	80.10%	81.89%	81.73%	11.09%	11.23%
VARIANCE		-71		-509.84		-59.65		-0.14%	
VARIANCE IN %		-13.37%		-16.38%		-17.48%		-1.32%	

INDIA SUGAR BALANCE SHEET

Fig in Lmts			
Particulars	SY 2019/20	SY 2020/21	SY 2021/22
	ACTUAL	ESTIMATED	PROJECTED
Opening Stock	145	112	113
Estimated Sugar Production during the season	272	311	290
Total Expected Availability during the season	417	423	403
Estimated Domestic Consumption during the year	250	260	260
Estimated Exports during the year	55	50	50
Estimated Closing Stock	112	113	93

WORLD SUGAR BALANCE SHEET

ALL FIG IN LMTS				
S.NO	PARTICULARS	SS 2018-19 (ACTUAL)	SS 2019-20 (ESTIMATED)	SS 2020-21 (ANTICIPATED)
1	OPENING STOCK	926.11	932.31	842.66
2	PRODUCTION	1745.40	1667.98	1880
3	CONSUMPTION	1739.20	1760.96	1770
4	SUGAR IMPORT	551.44	610.66	548
5	SUGAR EXPORT	551.44	607.33	652
6	CLOSING STOCK	932.31	842.66	848.66

HIGHLIGHTS OF NITI AAYOG RECOMMENDATIONS

- ❑ INCREASING SUGAR MSP TO RS. 33 / KG BY LINKING IT WITH FRP & REVIEWING SIX MONTHLY.
- ❑ ONLY FRP ACROSS INDIA & PAYABLE IN 3 INSTALMENTS. SAP OVER FRP TO BE BORNE BY STATE GOVTS.
- ❑ RSF @ 75% & 80% ON PAN INDIA BASIS. GAP, IF ANY, BE MET THROUGH REVAMPED SDF / PSF.
- ❑ IN FIXING FRP, DOMESTIC & INTERNATIONAL SUPPLY, DEMAND, PRICE TRENDS BE FACTORED IN.
- ❑ IMPOSING CESS ON SUGAR @ RS. 50/ QTL. FOR 3 YEARS TO STRENGTHEN “SUGAR & SUGARCANE DEVELOPMENT FUND” [S & SDF].

HIGHLIGHTS OF NITI AAYOG RECOMMENDATIONS....

Contd...

- ❑ INCREASED SCOPE OF S & SDF FOR PROVIDING INTEREST SUB-VENTION & BRIDGE FUNDING.
- ❑ CURRENT MONTHLY RELEASE MECHANISM BE CONTINUED BUT BUFFER STOCK SCHEME BE WITHDRAWN.
- ❑ TO ENCOURAGE SHIFTING AWAY FROM CANE CULTIVATION, INCENTIVE OF RS. 6000/ HA TO FARMERS FOR 3 YEARS.
- ❑ RESTRICTING SALES SLIPS TO 85% OF CANE AREA OF FARMERS.
- ❑ TO ENCOURAGE MICRO-IRRIGATION CONCESSIONAL ACCESS TO INFRASTRUCTURE & POWER SUPPLY.
- ❑ INTERIM MEDIUM-TERM EBP @ 15% BY SY 2024-25.
- ❑ CONSIDERING ATTRACTIVE FISCAL INCENTIVES FOR ENCOURAGING JUICE TO ETHANOL AND REMOVING ALL HURDLES IN SUPPLY CHAIN & STATE LEVEL RESTRICTIONS.

HIGHLIGHTS OF NITI AAYOG RECOMMENDATIONS....

Contd...

- ❑ A LONG-TERM POLICY ON ETHANOL PROCUREMENT AND PRICES.
- ❑ CONTINUE WTO COMPATIBLE INCENTIVISED EXPORT SCHEME FOR SUGAR EXPORTS.
- ❑ INCENTIVISING SUGAR MILLS FOR RECYCLING & VALUE ADDITION OF BAGASSE.
- ❑ A COMPLETE RETHINK OF BIOMASS COGEN PRICING BE DONE TO ENCOURGAE GREEN ENERGY MISSION.
- ❑ DEVELOP MECHANISM FOR ADOPTION OF ADVANCE TECHNOLOGY FOR PRODUCTION OF QUALITY JAGGERY.
- ❑ FLEXIBLE APPROACH BY LENDING FI's FOR FINANCIALLY DISTRESSED SUGAR MILLS.
- ❑ COMPLETE RESTRUCTURING OF SUGAR INDUSTRY IN A PHASED MANNER.

GOI'S INCLINED POLICIES FOR SY 2020-21

- ❑ Increase in MSP of sugar by Rs 2/Kg to Rs 33/Kg w.e.f 1st October 2020.
- ❑ Increase in FRP of sugarcane from Rs 275/Qtl to Rs 285/Qtl at 10% recovery rate w.e.f 1st October 2020.
- ❑ New Sugar Export Policy of 60 Lmts for the SY 2020/21.
- ❑ Scheme for creation of Buffer Stock of 40 Lmts.
- ❑ Introduction of new soft loan scheme for one year with interest subvention at 7% per annum.
- ❑ May Like to change in price of ethanol due to Forthcoming rise in MSP and sugarcane price.





GOI'S INCLINED POLICIES FOR SY 2020-21..... Contd..

- ❑ Reduce interest rate of 15% to 7% on delayed cane payment beyond 14 days.
- ❑ Inducing closed sugar mills to go in for Ethanol production from Sugarcane, Maize or Grain.
- ❑ Restructuring & Rescheduling outstanding loans with extended moratorium.
- ❑ Revamped & strengthened SDF to bear burden of interest subvention & stop loaning activity.



KEY FOCUS AREAS FOR MAHARASHTRA

- ❑ Bring about change in 'Mind Paradigm' 
- ❑ Bringing about technical upgradation and modernization of existing plants.
- ❑ POST COVID ERA calls for total Austerity '*A Rupee Saved is Rupee Earned!*' 
- ❑ Eliminating wasteful expenses and trimming inventory to reduce interest burden.
- ❑ Taking advantage of chain of port facilities, maximum exports of sugar & molasses.
- ❑ Short, Medium & Long term operating plans should focus on reducing sugar production & increasing ethanol production.

Key focus area for Maharashtra...Contd..

- ❑ Strengthening marketing department and resorting to avenues of spot & future trading. Continuously look out for new revenue earning avenues like Sanitizers, CNG Gas, Bagasse value added products and variety of alcohol based chemicals.
- ❑ Total revamping of Finance Management; conducting regular Finance Audit.
- ❑ Reducing over dependence on Bank loans and effort fully build up own Corpus.
- ❑ State Federations should regularly arrange 'Interactive training programme for HOD's with subject matter experts'.

THANK YOU