

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-2676
ANSWERED ON - 24/03/2025

ETHANOL BLENDING POLICY OF THE COUNTRY

2676 # SHRI SHAMBHU SHARAN PATEL:

SHRI BABURAM NISHAD:

SHRI BRIJ LAL:

SMT. KIRAN CHOUDHRY:

SHRI DHAIRYASHIL MOHAN PATIL:

SMT. SUNETRA AJIT PAWAR:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the specific timeframe that is being contemplated for increasing ethanol blending beyond 20 per cent;
- (b) the steps to be taken to address potential vehicle compatibility issues arising from higher ethanol blending;
- (c) the impact that the increased ethanol blending target would have on the country's agriculture sector, particularly on sugarcane and maize production; and
- (d) the manner in which the farmers and ethanol producers would be encouraged to increase production in a sustainable manner?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS

(SHRI SURESH GOPI)

(a) The National Policy on Biofuels – 2018, as amended in 2022 had advanced the target of 20% blending of ethanol in petrol to Ethanol Supply Year (ESY) 2025-26 from 2030. Public Sector Oil Marketing Companies (OMCs) achieved the target of 10% ethanol blending in petrol in June 2022 i.e. five months ahead of the target during ESY 2021-22. Blending of ethanol further increased to 12.06% in ESY 2022-23, 14.60% in ESY 2023-24 and 17.98% in ESY 2024-25 upto 28th February 2025. So far, no decision has been taken by the Government for increasing ethanol blending beyond 20%.

(b) According to the Roadmap for Ethanol Blending in India 2020-25, prepared by an inter-ministerial committee, using 20% ethanol-blended petrol (E20) results in marginal reduction in fuel efficiency for four-wheelers designed for E10 and calibrated for E20. The Society of Indian Automobile Manufacturers (SIAM) had informed the committee that with modifications in engine hardware and tuning, the efficiency loss due to blended fuel can be reduced. The committee report has also highlighted that no major issues were observed in vehicle performance, wear of engine components, or engine oil deterioration with E20 fuel.

(c) The National Policy on Biofuels permits use of food grains during surplus phase as declared by the National Biofuel Coordination Committee. This Policy also promotes and encourages use of feedstock such as corn, cassava, rotten potatoes, damaged food grains like broken rice, food grains unfit for human consumption, maize, sugarcane juice & molasses, agriculture residues (Rice straw, cotton stalk, corn cobs, saw dust, bagasse etc.). The extent of utilization of individual feedstock for ethanol production varies annually, influenced by factors such as availability, costs, economic feasibility, market demand, and policy incentives. Any diversion of sugarcane juice, its by-products, maize etc. for ethanol production is carefully calibrated in consultation with relevant stakeholders.

(d) To promote the production of maize as a major feedstock for grain based ethanol supply under Ethanol Blended Petrol Programme, training/awareness/ exposure programme have been conducted by Indian Council of Agricultural Research (ICAR)- Indian Institute of Maize Research (IMR) under its project "Enhancement of Maize Production in Catchment Area of Ethanol Industries' for various stakeholders including farmers across the country for quality maize production towards profitable ethanol production. Specialized training for the distillers and seed production organization were also conducted. Further, Government, since 2014, has taken several measures to encourage farmers and ethanol producers to scale up production under the EBP Programme which include expanding feedstock for ethanol production, implementing an administered price mechanism for the procurement of ethanol under the EBP Programme, lowering the GST rate to 5% on ethanol for the EBP Programme, amending the Industries (Development and Regulation) Act to facilitate intrastate and interstate movement of ethanol, simplifying the ethanol procurement process by Public Sector Oil Marketing Companies (OMCs), and advancing the target for 20% ethanol blending in petrol to the Ethanol Supply Year (ESY) 2025-26 from 2030. Additionally, during 2018-22, the Government introduced various Ethanol Interest Subvention Schemes (EISS) for ethanol production from both molasses and grains to establish ethanol plants. Long Term Offtake Agreements (LTOAs) were also signed by OMCs with Dedicated Ethanol Plants (DEPs).
