

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
STARRED QUESTION NO-4
ANSWERED ON - 01/12/2025

RAW MATERIALS FOR BIO FUEL IN VEHICLES

*4. DR. JOHN BRITTAS:

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

- (a) whether petroleum companies purchase rice/broken rice for production of ethanol for using them in bio-fuel;
- (b) if so, quantum and value of rice/broken rice purchased during the last three years, year wise;
- (c) the quantum and value of rice/broken rice for production of ethanol purchased from Food Corporation of India (FCI) during the last three years, year-wise;
- (d) the average price of rice/broken rice per kilogram purchased from FCI and from open market, year-wise;
- (e) whether Government has taken note of incidents of boring of vehicle fuel pipes by beetles and bugs being attracted by presence of ethanol in the fuel; and
- (f) the details thereof?

ANSWER

MINISTER OF PETROLEUM & NATURAL GAS

(SHRI HARDEEP SINGH PURI)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) IN RESPECT OF THE RAJYA SABHA STARRED QUESTION NO. 4 FOR REPLY ON 01.12.2025 REGARDING RAW MATERIALS FOR BIO FUEL IN VEHICLES ASKED BY DR. JOHN BRITTAS.

(a) to (d): Government has been promoting blending of ethanol in petrol under the Ethanol Blended Petrol (EBP) Programme wherein Oil Marketing Companies (OMCs) sell ethanol blended petrol. The National Policy on Biofuels, as amended in 2022, promotes use of, *inter-alia*, C & B – Heavy Molasses, sugarcane juice, sugar, sugar syrup, biomass in form of grasses, agriculture residues, damaged food grains like broken rice, food grains unfit for human consumption, food grains during surplus phase, as declared by the National Biofuel Coordination Committee (NBCC) etc.

Under the EBP Programme, Public Sector OMCs procure ethanol (finished product) from registered distilleries, almost all of whom are in the private sector. Grain based ethanol suppliers who supply ethanol to Public Sector OMCs themselves procure surplus rice from Food Corporation of India (FCI) under the Open Market Sale Scheme (Domestic) as per specific allocation mechanisms announced by the Government from time to time, damaged food grain and maize from the open market. 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.

Under the revised Open Market Sale Scheme (Domestic) policy, the Government has fixed the reserve price for sale of surplus FCI rice (not exceeding 52 Lakh MT) to distilleries for ethanol production at Rs. 2250 per quintal for ESY 2024–25 and Rs. 2320 per quintal (upto 30 June 2026) for ESY 2025–26. The quantum and value of surplus FCI rice purchased by grain based distillers from FCI under Open Market Sale Scheme (Domestic) for ethanol production from Ethanol Supply Year (ESY) 2022-23 to ESY 2024-25 are as under:

Ethanol Supply Year (ESY)	Quantity of FCI rice purchased (in Lakh Metric Tonne)	Rate of FCI rice (in Rs./kg)
2022-23	13.89	20.00 (fixed)
2023-24	NIL	-
2024-25	31.83	22.50(fixed)

The open-market prices for damaged/broken rice vary based on quality, overall supply and demand and prevailing market conditions. The quantity of broken rice estimated to have been utilized by the distillers and ethanol so produced and supplied to Public Sector OMCs from Ethanol Supply Year (ESY) 2022-23 to ESY 2024-25 are as follows:

Ethanol Supply Year (ESY)	Estimated Quantity of Broken rice utilized for ethanol production (in Lakh Metric Tonne)	Total Ethanol Supplies to Public OMCs from DFG viz. broken rice (in crore litres)
2022-23	7.00	31.90
2023-24	25.70	116.56
2024-25 (Provisional)	17.00	76.47

(e) & (f): No incidents of alleged boring of vehicle fuel lines by insects or beetles being attracted to ethanol present in petrol have been reported to Government.
