

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO- 143
ANSWERED ON - 01/12/2025

IMPACT OF ETHANOL BLENDING PROGRAMME

143. DR. M. DHANAPAL:

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

- (a) whether the ethanol blending programme has led to increased demand for food crops like maize and sugarcane, thereby raising serious concerns over food security, water usage, and the livelihoods of other farmers;
- (b) the steps Government proposes to take to balance ethanol production with agricultural sustainability and to prevent any adverse impact on food prices and availability; and
- (c) If not, the reasons therefor?

ANSWER

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

(SHRI SURESH GOPI)

(a) to (c): The National Policy on Biofuels, as amended in 2022, promotes use of, *inter-alia*, 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), and agriculture residues (Rice straw, cotton stalk, corn cobs, saw dust, bagasse etc.). This Policy also promotes and encourages use of feedstock such as corn, cassava, rotten potatoes, maize, sugarcane juice & molasses. 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, and other food/feed crops for ethanol production is carefully calibrated in consultation with relevant stakeholders.

The Department of Food and Public Distribution (DFPD) has informed that Sugar production in the country exceeded domestic demand during the Sugar Season (SS) 2024-25 (October - September). Sugar availability during SS 2024-25 stood at 340 lakh metric ton (LMT), apart from diversion of 34 LMT for ethanol production, as against the domestic sugar demand of 281 LMT. Sugar diversion for ethanol production has helped stabilize surplus sugar inventories in the country and timely payment to farmers for their cane dues. Maize production has also increased by nearly 30% from 337.30 LMT in 2021-22 to 443 LMT in 2024-25.

Ethanol Blended Petrol (EBP) Programme has resulted in expeditious payment to farmers to a tune of over Rs. 1,36,300 crores from Ethanol Supply Year (ESY) 2014-15 up to October 2025, besides savings of more than Rs. 1,55,000 crore of foreign exchange, net CO2 reduction of approximately 790 lakh metric tonne and substitution of more than 260 lakh metric tonnes of crude oil.

Further, to incentivize the use of non-food biomass for second generation ethanol production, Government has launched Pradhan Mantri JI-VAN (Jaiv Indhan-Vatavaran Anukool fasal awashesh Nivaran) Yojana to provide financial support to advance bio-fuel projects using lignocellulosic biomass and other renewable feedstocks.

The Government is also encouraging farmers to diversify from water intensive crops like rice, sugarcane, etc. to more sustainable crops like maize for ethanol production. The “Roadmap for Ethanol Blending in India 2020-25” has also noted that technological advancements have made it possible for molasses-based distilleries with incineration boilers and grain-based distilleries to become zero liquid discharge (ZLD) units, resulting in negligible pollution. Government is also promoting water conservation practices in sugarcane cultivation also by promoting drip irrigation under ‘Per Drop More Crop’ scheme. Many sugar mills are also running awareness campaigns among cane farmers for adopting water conservation techniques.
