

GOVERNMENT OF INDIA
MINISTRY OF COOPERATION

RAJYA SABHA
UNSTARRED QUESTION NO.2083
ANSWERED ON 11.03.2026

Ethanol procurement parity for sugar mills

2083. Shri Saket Gokhle:

Will the Minister of Cooperation be pleased to state:

- (a) Whether cooperative sugar mills are facing payment delays from Oil Marketing Companies (OMCs) for ethanol procurement compared to private mills;
- (b) the total outstanding dues owed to cooperative mills under the Ethanol Blending Programme; and
- (c) the measures taken to ensure working capital availability?

ANSWER

THE MINISTER OF COOPERATION
(SHRI AMIT SHAH)

(a & b) As per ethanol procurement terms and conditions, payment is being released to all ethanol suppliers, including cooperative sugar mills supplying to Public Sector Oil Marketing Companies, within the stipulated time frame of 21 days. No instance of delayed payment/differential treatment vis-à-vis private sugar mill has been reported.

(c) Cooperative Sugar Mills operating distillery units can meet their working capital requirements through bank borrowings and institutional finance besides utilizing their internal resources. Additionally, National Cooperative Development Corporation (NCDC), a statutory corporation under the administrative control of Ministry of Cooperation, has reduced its floating rate of interest for working capital loans to ensure easy working capital availability for the cooperative sugar mills.
