

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO - 4118
ANSWERED ON – 30/03/2026

PROCUREMENT OF ETHANOL FROM DISTILLERIES IN UTTAR PRADESH

4118. SHRI SANJAY SETH:

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

- (a) the volume of ethanol procured from distilleries in the State of Uttar Pradesh over the last four months;
- (b) whether timely payments by Oil Marketing Companies (OMCs) have positively impacted UP's sugarcane farmers;
- (c) the current ethanol blending percentage successfully achieved and sustained in the State's fuel supply;
- (d) the investments mobilized to scale up maize and grain-based ethanol production facilities in the State; and
- (e) the steps taken to further support the State of Uttar Pradesh in expanding its biofuel economy?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI SURESH GOPI)

(a) to (c): Under the Ethanol Blended Petrol (EBP) Programme, Public Sector Oil Marketing Companies (OMCs) have received 44.66 crore litre of ethanol in Uttar Pradesh over the last four months i.e. November, 2025 to February, 2026 of Ethanol Supply Year (ESY) 2025-26. OMCs have achieved 20% ethanol blending in petrol in December, 2025 across the country including Uttar Pradesh.

Sale of ethanol produced from surplus sugar and its byproducts to OMCs has generated a new stream of revenue for sugar mills/distilleries which in-turn has enabled timely payments to sugarcane farmers. Since ESY 2014-15 upto February, 2026, EBP Programme has resulted in expeditious payment to farmers to a tune of over Rs. 1,50,925 crores across the country including Uttar Pradesh.

(d) & (e): Ethanol production plants are primarily set up by entrepreneurs/ companies/co-operative societies etc. depending upon the techno-economic viability of the project as per their investment plans. To support the biofuel economy in the country including the State of Uttar Pradesh, the Government has taken number of initiatives with multiple objectives including reducing import dependence, savings in foreign exchange, providing boost to agriculture sector etc. Under the EBP Programme, Government has allowed expansion of feedstock for ethanol production, introduced administered price mechanism for ethanol procurement, lowered GST rate on ethanol, notified various ethanol interest subvention schemes from 2018 to 2022 to enhance the distillation capacity using sugar and grain based feedstock, augmented ethanol storage capacity along with other allied infrastructure for handling of higher blends of ethanol etc.
