GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
**RAJYA SABHA**
**UNSTARRED QUESTION NO - 138**
ANSWERED ON – 20/07/2026

## IMPACT OF ETHANOL BLENDING ON FOOD CROP AVAILABILITY

138. SMT. SAGARIKA GHOSE:

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

(a) whether the target of 20 per cent ethanol blending has affected food crop availability;

(b) the quantity of food grains diverted for ethanol production during the last three years; and

(c) the impact on retail food inflation?

**ANSWER**

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

(SHRI SURESH GOPI)

(a): No

The target of 20% ethanol blending has not affected food crop availability or India's food security. The Government follows an open-ended procurement system at the Minimum Support Price (MSP), under which procurement for the Public Distribution System (PDS), National Food Security Act (NFSA), Other Welfare Schemes (OWS) and prescribed buffer stocks is accorded the highest priority.

Only surplus foodgrains, as determined by the Department of Food & Public Distribution after meeting all food security requirements and maintaining prescribed buffer stocks, are permitted for ethanol production.

The programme follows a "waste-to-wealth" approach by utilising surplus agricultural produce, including damaged foodgrains, broken rice and foodgrains unfit for human consumption, as well as other approved feedstocks, which might otherwise remain underutilised or deteriorate in storage.

This generates additional income for farmers, strengthens India's energy security and reduces dependence on imported crude oil, while fully safeguarding national food security. The Government is also promoting Second Generation (2G) ethanol from agricultural residues under the Pradhan Mantri JI-VAN Yojana, thereby further reducing dependence on food-based feedstocks.

Accordingly, the programme strengthens energy security, provides an additional remunerative market for farmers and reduces dependence on imported crude oil**,** while fully safeguarding national food security.

(b): The details regarding the quantity of FCI rice and maize diverted for ethanol production during Ethanol Supply Year (ESY) 2023-24, 2024-25 and current ESY 2025-26 are as under:

Quantity in Lakh Metric Tonne (LMT)

| Feedstock | ESY 2023–24 | ESY 2024–25 | ESY 2025–26 (up to 30.6.2026) |
|---|---|---|---|
| Surplus FCI rice | – | 31.11 | 39.28 |
| Maize | 75.38 | 131.18 | 67.87 |

(c): The average retail price of sugar in the country is presently in the reasonable range. Only surplus sugar is being diverted for ethanol production. Further, annual increase in retail sugar prices is around 2.5% in comparison to previous sugar season 2024-25. As far as rice is concerned, there is no impact of diversion of surplus FCI rice on retail food inflation, as rice available in excess is only being diverted for ethanol production, after meeting the requirements of the National Food Security Act (NFSA), Other Welfare Schemes (OWS) and maintaining buffer stocks.

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