

GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION

LOK SABHA  
UNSTARRED QUESTION NO. 439  
TO BE ANSWERED ON 05 FEBRUARY, 2019

RISE IN PRICES OF ETHANOL

439. SHRI A. ARUNMOZHITHEVAN:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

(a) whether it is a fact that the Government has announced an upto 25 per cent hike in prices of ethanol meant for blending with petrol for 2018-19; and

(b) whether it is also true that the Government has approved a package comprising Rs. 4440 crore loans to mills to expand ethanol production capacity and Rs. 207 crore aid in the form of interest subsidy on the loan and carrying cost of creating buffer stock and if so, the details thereof?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
(SHRI C. R. CHAUDHARY)

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(a): For ethanol supply year 2018-19 (December- November) Government has increased the ex-mill price of ethanol derived from C-heavy molasses to Rs. 43.46 per litre from Rs.40.85 per litre being paid for ethanol supply year 2017-18. For the first time, Government has also fixed the ex-mill price of ethanol derived from B-heavy molasses/partial sugarcane juice at Rs.52.43 per litre and from 100 % sugarcane juice at Rs. 59.19 per litre for ethanol supply year 2018-19.

(b): Government is extending soft loans of Rs. 6139 crore through banks to the sugar mills for setting up new distilleries and installation of incineration boilers to augment ethanol production capacity for which Government will bear interest subvention of Rs. 1332 crore. Further, Government has also created a buffer stock of 30 LMT to be maintained by sugar mills w.e.f. 01.07.2018 to 30.06.2019 for which Government will reimburse carrying cost in terms of interest, insurance & storage charges of about Rs. 1175 crore towards maintenance of buffer stock.

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