

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

**LOK SABHA
STARRED QUESTION NO.100
TO BE ANSWERED ON 8TH FEBRUARY, 2023**

GRAIN BASED ETHANOL PLANTS

***100. SHRI JAGDAMBIKA PAL:**

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

- (a) whether the Government has drafted any dedicated policy for grain based ethanol plants in India;**
- (b) if so, the details thereof and if not, the reasons therefor;**
- (c) whether the Government is proposing to set up ethanol plant in Eastern Uttar Pradesh;**
- (d) if so, the details thereof and if not, the reasons therefor; and**
- (e) the details of the number of grain based ethanol plants in the country along with its capacities?**

**A N S W E R
MINISTER OF COMMERCE & INDUSTRY, CONSUMER AFFAIRS, FOOD &
PUBLIC DISTRIBUTION AND TEXTILES
(SHRI PIYUSH GOYAL)**

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE STARRED QUESTION NO.100 FOR ANSWER ON 08.02.2023 IN THE LOK SABHA.

(a) & (b): The National Bio-fuel Policy, 2018 allows production of ethanol from sugarcane juice, sugar containing materials like sugar beet, sweet sorghum, starch containing material like corn, cassava, damaged food grains like wheat, broken rice, rotten potatoes (unfit for human consumption). Further, the policy also allows use of surplus food grains for production of ethanol under Ethanol blended with petrol (EBP) Programme with the approval of National Bio-fuel Coordination Committee (NBCC). The NBCC in November 2020 has allowed the production of ethanol from rice available with FCI and from maize for blending with petrol under EBP programme.

Subsequently, the ethanol interest subvention scheme notified by the Government from July 2018 onwards was modified/extended in January 2021 to include grain based distilleries of the country apart from molasses based distilleries for production of 1st Generation (1G) ethanol from feed stocks such as cereals (rice, wheat, barley, corn & sorghum), sugarcane, sugar beet etc.

Under the ethanol interest subvention schemes, Government is facilitating entrepreneurs to set up new distilleries (molasses based, grain-based and dual-feed based) or expansion of existing distilleries (molasses based, grain-based and dual-feed based) throughout the country. Interest subvention @ 6% per annum or 50% of rate of interest charged by banks/financial institutions, whichever is lower, on the loans to be extended by banks/financial institutions shall be borne by the Central Government for five years including one-year moratorium.

(c) & (d): The Central Government does not set up ethanol plants on its own in any part of the country including in Eastern Uttar Pradesh. However, the entrepreneurs are free to set up ethanol plants in any part of the country. With a view to augment the ethanol production capacity in the country, the Central Government is encouraging entrepreneurs to set up ethanol plants (molasses based, grain-based and dual-feed based) or to expand their existing ethanol production capacities under the Ethanol Interest Subvention scheme. Entrepreneurs from any part of the country including in Eastern Uttar Pradesh who are willing to set up ethanol plants or to expand their existing ethanol production capacities can apply and avail the benefit of interest subvention.

As on 31.1.2023, a total of 39 Grain based ethanol projects from Uttar Pradesh have been approved under Interest subvention scheme of Department of Food & Public Distribution (DFPD) which are expected to create an estimated capacity of about 155 crore litres.

(e): Currently, there are 126 grain based distilleries in the country with an estimated ethanol production capacity of about 337 crore litres.
