

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

**LOK SABHA  
UNSTARRED QUESTION NO.632  
TO BE ANSWERED ON 6<sup>TH</sup> DECEMBER, 2023**

**GRAIN BASED ETHANOL PLANTS**

**632. SHRI RAMESH CHANDRA MAJHI:**

**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 an ethanol plant in Odisha;**
- (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 STATE FOR MINISTRY OF RURAL DEVELOPMENT AND  
CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
(SADHVI NIRANJAN JYOTI)**

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**(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.**

**In order to enhance the ethanol production capacity in the country under EBP Programme, the Central Government has notified various ethanol interest subvention schemes from July 2018 onwards. The scheme was further modified 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. Further, another ethanol interest subvention scheme was notified for the distilleries including for grain based distilleries in April 2022 for a period of one year.**

**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 Odisha. However, the entrepreneurs are free to set up ethanol plants in any part of the country depending upon the techno-economic viability of the project.**

**As on date, a total of 29 Grain based ethanol projects from Odisha have been approved under various Interest subvention schemes of Department of Food & Public Distribution (DFPD). Currently, there are 3 grain based distilleries in Odisha with an estimated ethanol production capacity of about 4.5 crore litres per annum.**

**(e): Currently, there are 155 grain based distilleries in the country with an estimated ethanol production capacity of about 505 crore litres.**

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