

**GOVERNMENT OF INDIA
MINISTRY OF CHEMICALS AND FERTILIZERS
DEPARTMENT OF CHEMICALS AND PETROCHEMICALS**

**LOKSABHA
UNSTARRED QUESTION No. 3323
TO BE ANSWERED ON 16-03-2021**

Fuel Grade Ethanol

3323. SHRI FEROZE VARUN GANDHI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- a) the measures undertaken by the Government for meeting the target of 10 per cent blending of fuel grade ethanol with petrol by 2022 and 20% blending by 2025;
- b) the current requirement and current production of 1G and 2G ethanol in the country along with the details for the last five years including discreet mention of sources/components contributing to the production;
- c) the total number of people who have benefited from the scheme along with the details including from the sugar industry and farmers, if any;
- d) whether the Government is considering schemes to increase 2G ethanol production in order to deal with the rising problem of pollution from agricultural waste; and
- e) if so, the details thereof?

ANSWER

MINISTER FOR CHEMICALS & FERTILIZERS (SHRI D.V. SADANANDA GOWDA)

(a), (b), (c), (d) and (e): Under the Ethanol Blended Petrol (EBP) Programme the Government has taken the following steps : reintroduction of administered price mechanism for ethanol procurement, allowing ethanol production from multiple feed-stocks like C & B heavy molasses, sugarcane juice, sugar, sugar syrup, damaged food grains, surplus stocks of rice with Food Corporation of India (FCI) and maize, differentiated ex-mill price of ethanol based on raw materials used for its production, amendment to the Industries (Development and Regulation) Act (IDR Act) – 1951 for free movement of ethanol in the country, reduction of GST rate to 5% on ethanol procured under the EBP Programme, formulation of a long term procurement policy for ethanol, interest subvention scheme for augmentation and enhancement of ethanol production capacities in the country, etc. In addition, Public Sector Oil Marketing Companies (OMCs) have simplified the ethanol procurement procedure thereby encouraging more vendors to take part in the Expression of Interest (Eoi' s) released by them.

OMCs have informed that in the current Ethanol Supply Year (ESY), against an EoI quantity of 457 Crore litres they have allocated 325.5 Crore litres of ethanol from various feedstock-wise like sugarcane Juice/ sugar syrup / sugar, B & C heavy molasses, damaged food grain, maize and surplus rice available with Food Corporation of India. Further, the OMCs have informed that supplies received by them in crore litres were 111.4 (2015-16), 66.5 (2016-17), 150.5 (2017-18), 118.57 (2018-19), 173.03 (2019-20) & 74.89 (2020-21- till 01.03.21).

The aim of the EBP Programme is to address environmental concerns, providing remunerative income to farmers, reduce import bill & reduce dependency on imports thereby creating jobs directly / indirectly.

Due to remunerative prices of ethanol to be supplied to OMCs, the sugar mills/distilleries could able to generate quick revenue which improves the liquidity of sugar mills to enable them to clear cane dues of farmers associated with the industry. The installation of distilleries also generates employment for public mainly in the rural area.

Further, the Government has allowed procurement of ethanol produced from other non-food feedstock like cellulosic and ligno-cellulosic materials and has directed Oil CPSEs to set up Second Generation (2G) Ethanol Bio-refineries in different parts of the country using agri-residues and biomass which will be commissioned in 2-3 years of time. Government has launched a scheme "Pradhan Mantri JI-VAN (JaiVndhan-Vatavaran Anukool fasalawashesh Nivaran) Yojana" to provide financial support for promotion of 2G ethanol.
