

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

**LOK SABHA**  
UNSTARRED QUESTION NO.2075  
TO BE ANSWERED ON 12<sup>TH</sup> MARCH, 2025

**ETHANOL PRODUCTION**

†2075. SHRI MANISH JAISWAL:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the steps taken/being taken by the Government to promote the companies engaged in the production of Ethanol;
- (b) the potential areas of use of Ethanol in future;
- (c) whether any steps have been taken to facilitate the Ethanol producing companies with the hassle free availability of raw material; and
- (d) if so, the details thereof?

**A N S W E R**  
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS,  
FOOD & PUBLIC DISTRIBUTION  
(SHRIMATI NIMUBEN JAYANTIBHAI BAMBHANIYA)

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(a): Government of India has been implementing Ethanol Blended Petrol (EBP) Programme throughout the country wherein Oil Marketing Companies (OMCs) sell petrol blended with ethanol. Under EBP Programme, Government has fixed the target of 20% blending of ethanol with petrol by Ethanol Supply Year (ESY) 2025-26.

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Under the programme, Central Government has taken various steps inter-alia to encourage ethanol production under EBP Programme which includes production of ethanol from a variety of feedstock; implementation of various ethanol Interest Subvention Schemes during 2018-22; a new scheme for Cooperative Sugar Mills notified on 06.03.2025 for conversion of their existing sugarcane based plants into multi-feed based ethanol plants; fixation of remunerative prices of ethanol produced from different feed-stocks for supply to OMCs; reduction in Goods & Service Tax (GST) on ethanol meant for EBP Programme from 18% to 5%; promotion of maize as a major feedstock for ethanol production under Ethanol Blended with Petrol (EBP) Programme; Long Term Offtake Agreements (LTOAs) by OMCs with Dedicated Ethanol Plants (DEPs) etc.

(b): Apart from blending of ethanol with petrol, ethanol may be used for production of Sustainable Aviation Fuel (SAF).

(c) & (d): Under the National Bio-fuel Policy, 2018, Government allows various feedstock such as sugarcane, maize, damaged foodgrains, sweet sorghum, sugar beet etc. for production of ethanol for blending in petrol. Due to promotion of Maize by Government for production of ethanol, Maize has been the major contributor of ethanol supplied to Oil Marketing Companies (OMCs). Further, it is expected that the share of ethanol production from grains may increase beyond 60% in current ESY 2024-25.

In addition, Government allows sale of FCI rice for ethanol production when excess rice is available with Food Corporation of India (FCI).

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