

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:5805

ANSWERED ON:30.04.2010

BIO-FUELS PRODUCTION

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Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) the present status of production, utilization and projected requirement of bio-diesel and bio-ethanol in the country, State-wise;
- (b) whether the Government has fixed any targets regarding the production of bio-fuels such as ethanol and bio-diesel in the country;
- (c) if so, whether the Government proposes to give financial incentives for the bio-diesel production and has set up a National Bio-fuel Fund and National Bio-fuel Coordination Committee;
- (d) if so, the details thereof;
- (e) whether the Government proposes to announce minimum purchase price for the purchase of bio-ethanol and bio-diesel in the country; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF NEW AND RENEWABLE ENERGY (DR. FAROOQ ABDULLAH)

(a): A total of 2265 million litres of ethanol (alcohol) was produced in 2008-09 in ten States. The utilization of ethanol was of the order of 2525 million litres during that year. State-wise production and utilization of ethanol in 2008-09 is given in the Annexure.

The total requirement of ethanol in the country for the year 2009-10 is estimated at about 3000 million litres. During that year, 273 million litres of ethanol was supplied by the sugar mills/ ethanol manufacturers for blending with petrol, which was entirely consumed. At present, biodiesel is not commercially produced.

As per Planning Commission's Report of the Committee on Development of Biofuel (2003) the requirement of ethanol for 5% blending with petrol in 2011-12 has been projected at 756 million litres. The projected demand for 5% blending of bio-diesel with diesel in 2011-12 is 3.35 million tonnes.

(b) (c) & (d): An indicative target of 20% blending of biofuels, both for bio-diesel and bio-ethanol, by 2017 has been proposed in the National Policy on Biofuels.

High speed diesel oil blended with bio-diesel, up to 20 % by volume has been exempted from basic excise duty, additional duty of excise and special additional duty of excise. Basic customs duty on biodiesel has been reduced from 7.5% to 2.5%. The setting up of National Biofuels Coordination Committee to be headed by the Prime Minister with Ministers of the concerned Ministries as members has been approved by Cabinet. There is no proposal to set up a National Biofuel Fund.

(e) & (f): The National Policy on Biofuels, which has been approved by the Cabinet, provides for minimum purchase price for purchase of bio-ethanol and bio-diesel in the country.

Annexure

Annexure referred to in reply to Part (a) of the Lok Sabha Unstarred Question No. 5805 for 30.4.2010

State-wise production and utilization of ethanol in 2008-09.

State	Production (Million Litres)	Utilization (Million Litres)
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Andhra Pradesh	160.9	201.8
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Bihar	38.2	36.8
Gujarat	84.9	82.0
Harayana	40.6	63.5
Karnataka	206.3	285.6
Maharashtra	441.4	440.8
Punjab	373.4	372.1
Tamil Nadu	151.0	153.7
Uttar Pradesh	681.5	692.1
Uttaranchal	86.7	196.5
Total	2264.9	2524.9