

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:6312  
ANSWERED ON:15.05.2012  
REQUIREMENT OF ETHANOL  
Tharoor Shri Shashi

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

- (a) the total annual ethanol requirement for fulfilling the five per cent Ethanol Blended Petrol (EBP) programme and the percentage shortfall in its supply during the last three years;
- (b) the reasons for non-fulfillment of ethanol requirement for EBP;
- (c) whether the sugar mills are getting a higher price from alcohol producers for Extra Neutral Alcohol (ENA) used to produce both ethanol and alcohol and this is affecting the supply of ethanol by the mills and if so, the details thereof;
- (d) whether it is a fact that during last year, Oil-Marketing Companies could not lift the entire quantity of ethanol finalised to be lifted from sugar mills and if so, the details thereof and the reasons therefor; and
- (e) whether the Government proposes to raise the procurement price of ethanol and if so, the details thereof?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

- (a) The details of the total annual ethanol requirement for fulfilling the five per cent Ethanol Blended Petrol (EBP) programme and its supply during the last three years are as under:

Period	Requirement of Ethanol (Crore Litres)	Contracted quantity of ethanol (Crore Litres)	Supplied quantity of ethanol (Crore Litres)
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2009-10	83.8	35.29	6.32
2010-11	105.1	55.87	36.19
2011-12	101.7	41.89	13.15 (till 15.4.2012)

- (b): As per the Government decision, Oil Marketing Companies(OMCs) have to procure the entire quantity of Ethanol made available by domestic suppliers for the EBP Programme at the ex-factory declared price decided by the Government. However, due to lack of offers of ethanol against EOI (Expression of Interest) and restrictions imposed by some State Governments on Inter-State movement of Ethanol etc., OMCs have not been able to get the required quantity of Ethanol for implementation of 5% EBP Programme.

- (c): As per trade sources sugar mills are getting a higher price from alcohol producers for Extra Neutral Alcohol (ENA). Trade sources claim that it is not affecting the supply of ethanol by the mills. However, higher price for Extra Neutral Alcohol could be a factor affecting the supply of ethanol by the mills for blending.

- (d): During the sugar year 2010-11 (from 01.11.2010 to 30.09.2011), against the requirement of 105 crore litres of Ethanol in the entire notified area i.e. 20 States and 4 UTs, 55.87 crore litres was contracted and 36.19 crore litres was actually procured for EBP Programme. Due to non-availability of required quantity and restrictions imposed by the State Governments, supplies of ethanol have faced shortfall.

- (e): The Oil Marketing Companies are presently procuring bio-ethanol for Ethanol Blended Petrol Programme at an ad-hoc ex-factory price of Rs.27 per litre since November 2010. This price was subject to adjustment on the basis of the recommendations of an Expert Committee for Pricing of Ethanol. The report of the Expert Committee is presently under consideration.