

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

UNSTARRED QUESTION NO:1652

ANSWERED ON:04.12.2012

ETHANOL PRODUCTION

Bhujbal Shri Sameer

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

(a) the details regarding the production, demand and price of ethanol during each of the last three years and the current year, State-wise; and

(b) the steps taken to encourage production of ethanol in view of the demand under the Ethanol Blending Programme?

Answer

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

(a): With effect from August, 2010 an ad-hoc ex-factory price of Rs. 27.00 per litre has been fixed for ethanol procurement by Oil Marketing Companies throughout the country. Prior to it, during 2009-10, the ex-factory price of ethanol was Rs.21.00 per litre. According to Industry sources, the estimates for State-wise production of molasses and likely production of ethanol and demand of ethanol, during 2009-10, 2010-11, 2011-12 and the current year is as per Annexure attached.

(b): Production of ethanol in India is mostly from molasses as a by-product in the production of sugar. Soft loans up to 40% of the project cost are provided to the sugar mills for setting up ethanol projects to improve their viability via value additions to their by-product namely molasses.