

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

UNSTARRED QUESTION NO:774
ANSWERED ON:15.07.2014
PRODUCTION OF ETHANOL
Shetti Shri Raju alias Devappa Anna

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

- (a) whether the Government proposes to promote the production of ethanol in view of the decision to raise the level of compulsory blending of ethanol in petrol in the country;
- (b) if so, the details thereof along with the total ethanol production in the country during the last three years and the current year; and
- (c) the minimum and maximum selling price of ethanol during the said period?

Answer

THE MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAOSAHEB PATIL DANVE)

(a)&(b): Under Ethanol Blended Petrol (EBP) programme, the Central Government has already decided 5% blending at all India level, which can go up to 10% in a State. Further, the Central Government, with a view to increase production of ethanol is providing soft loans up to 40% of the project cost to the sugar mills from Sugar Development Fund (SDF) for setting up ethanol projects. Production of alcohol or ethanol is linked to the production of molasses which is a by-product during production of sugar. According to industry sources, the estimates for production of molasses and likely production of ethanol during 2010-11, 2011-12, 2012-13 and the current year is as per Annexure attached.

(c):The Basic Price of ethanol on which Oil Marketing Companies (OMCs) have procured ethanol for the Ethanol Blended Petrol Programme varied between Rs.27 per litre to Rs.38 per litre during the said period.