

GOVERNMENT OF INDIA
MINISTRY OF PETROLEUM AND NATURAL GAS
RAJYA SABHA
UNSTARRED QUESTION NO-767
ANSWERED ON - 10/02/2025

ETHANOL BLENDING

767. SHRI AYODHYA RAMI REDDY ALLA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the strategies Government will employ to address the potential food vs. fuel debate, ensuring that ethanol production does not compromise food security and the manner in which Government will incentivize the development of second-generation ethanol technologies, which can utilize non-food biomass; and
- (b) whether Government could provide a detailed analysis of the cost-benefit implications of achieving 20 per cent ethanol blending by 2025 and the manner in which Government will address the infrastructure challenges associated with ethanol blending, such as storage, transportation, and dispensing?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS

(SHRI SURESH GOPI)

(a) The National Policy on Biofuels 2018, amended in 2022, permits use of food grains during surplus phase as declared by the National Biofuel Coordination Committee. This Policy also promotes and encourages use of feedstocks such as corn, cassava, rotten potatoes, damaged food grains like broken rice, food grains unfit for human consumption, maize, sugarcane juice & molasses, agriculture residues (Rice straw, cotton stalk, corn cobs, saw dust, bagasse etc.). The extent of utilization of individual feedstock for ethanol production varies annually, influenced by factors such as availability, costs, economic feasibility, market demand, and policy incentives.

Further, to incentivize the use of non-food biomass for second generation ethanol production, Government of India has launched Pradhan Mantri JI-VAN (Jaiv Indhan-Vatavaran Anukool fasal Awashesh Nivaran) Yojana in 2019 to provide financial support to Integrated 2G Bioethanol Projects using lignocellulosic biomass and other renewable feedstock.

(b) As per the “Roadmap for Ethanol Blending in India 2020-25”, a successful E20 (20% ethanol blending in petrol) programme can save the country about 4 billion US Dollar (USD) per annum. Setting up of Dedicated Ethanol Plants in ethanol deficit States has made ethanol available closer to the petrol consumption centre leading to optimization in transportation. Distilleries and Public Sector OMCs have been directed to create sufficient ethanol storage capacities. Further, OMCs have signed long-term offtake agreements with 232 ethanol plants for an annual offtake of 791.6 crore liters, expanded storage capacity for higher blending percentages, and started transporting ethanol-blended petrol through rail to deficit regions to ensure the smooth roll-out of the E20 programme.
