

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

UNSTARRED QUESTION NO: 340

ANSWERED ON:20.07.2021

Diversion of Rice Procured for Food Security for Ethanol Production

Vellalath Kochukrishnan Nair. Sreekandan

- (a) whether the Government has allocated 78,000 tonnes of rice procured for food security purposes to be diverted to ethanol production instead at a subsidised rate of Rs.20 per kg, if so, the details thereof;
- (b) whether the Government had committed about three lakh tonnes of rice procured by the Food Corporation of India for ethanol production, if so, the details thereof; and
- (c) whether the Government aims to increase the blending levels to 8.5% in the current year, if so, the details thereof?

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

ANSWER

A N S W E R

MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SADHVI NIRANJAN JYOTI)

(a) & (b): India imports about 85% of its crude oil requirement. Domestic bio-fuels like ethanol reduce the nation's dependence on imported fossil fuels; in addition its use reduces vehicular pollution, increases farmers' income, brings new investment opportunity in rural areas thereby helping to achieve goal of Atmanirbhar Bharat.

Ethanol is being produced mainly from molasses/sugarcane and damaged food-grains; but availability of these feedstocks as well as ethanol production capacity is not sufficient to achieve blending target fixed by the Government. Therefore, with a view to increase production of fuel grade ethanol for blending with petrol, Government is encouraging distilleries to produce ethanol from surplus rice available with FCI; and maize.

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The FCI rice is sufficient in stock for food security purposes and it will continue to remain robust as procurement of paddy/rice at Minimum Support Price (MSP) continues at expected levels to meet Public Distribution System (PDS) requirement. For the period of December'2020-November'2021, 78844 MT of FCI rice has been allocated to distilleries @ Rs. 20/kg ex-FCI godown for production of ethanol out of which 22716 MT has been lifted by distilleries till 14.7.2021.

(c): Yes Sir. During the current Ethanol Supply Year (ESY) 2020-21(Dec-Nov), the Government has targeted to achieve 8.5% blending of ethanol with petrol. Against the requirement of 332 crore litres of ethanol for achieving 8.5% blending with petrol, contracts have been signed for supplying about 335 crore litres of ethanol by distilleries to Oil Marketing Companies (OMCs) for blending of ethanol with petrol; against which about 190 crore litres of ethanol have been supplied to OMCs by distilleries till 12.7.2021 thereby achieving 7.93% blending which is the historically highest figure.

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