

‘Hike price for ethanol derived from cane juice’

Our Bureau

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The sugar industry has welcomed the revision of ethanol prices for the marketing season of 2022-23 commencing on December 1, 2022. The revised prices announced for ethanol manufactured from C-heavy molasses and B-heavy molasses will encourage sugar mills to divert more sugar towards ethanol production.

DISSATISFACTION

However, the revision of the price of ethanol manufactured from sugarcane juice/sugar syrup is not enough to drive additional investments in new capacity building, said Indian Sugar Mills Association (ISMA) Director-General, Sonjoy Mohanty.

He was reacting to the Cabinet Committee on Economic Affairs approving a hike in ethanol prices under the Ethanol-Blended Petrol (EBP) Programme.

Mohanty, in a statement, said the industry has represented many times to the government that the price of

ethanol produced from sugar juice/syrup should be based on return on equity (ROE) with a payback period of five years. The derived price based upon ROE works to ₹69.85 per litre.

BASED ON ROE

“The price of ₹65.61 per litre announced by the government today would still make the investors shy away from the much-needed infusion into the sector for ethanol capacities. We would request the government to have a relook and increase the price of ethanol procured from sugar juice/syrup” he said.

The ISMA official said the 2022-23 season is a crucial one, as the country is expected to achieve 12 per cent ethanol blending. The total requirement is 651 crore litres of ethanol.

Sugar mills are expected to divert about 45 lakh tonnes of sugar towards ethanol production.

A higher price of ethanol derived from cane juice/sugar syrup would have given the industry the much needed push to meet target set by the Prime Minister, he said.