

Modalities for supplying of rice from the stocks of FCI.

The Committee recommends that the following modalities may be adopted for supply of issuable surplus rice to the grain based distilleries for production of ethanol:

- i) Based on the Expression of Interest (EOI) submitted by the grain based distilleries for manufacture and supply of Ethanol, the Oil Marketing Companies (OMCs) will provide the relevant details like their annual requirement of ethanol, the offers received from distillers for supply of ethanol, the quantities for which LOI have been placed and contracts have been signed, to DFPD.
- ii) Department of Food & Public Distribution based on such information received from the OMC, would allocate the quantity of issuable rice to be supplied by FCI from its surplus stock to the distilleries.
- iii) The rice will be supplied to the distilleries from the nearest available godowns of FCI on receipt of the cost of grain as decided by the Govt. under a separate scheme. The supply may be in one go or in tranches.
- iv) Distilleries will have to provide copy of Certificate issued by the concerned OMCs regarding supply of ethanol by the concerned distillery, to the concerned Divisional Manager of FCI. For the supply made by the FCI in a particular month, the distiller will submit the OMC certificate regarding the ethanol supplied from the quantity of rice supplied by FCI, by the end of third month. For example, for the rice lifted by the distillery in the month of January, the distillery will provide the copy of the OMC certificate by the end of March to the FCI.

- v) For calculation of the utilization of rice issued for manufacture of ethanol, the recovery factor be taken as 450 litres of ethanol against one MT of rice.
- vi) The supply of rice to the distilleries should be on pre-payment and no credit sale would be allowed.
- vii) The supply of rice to grain based ethanol manufacturers be made under a separate scheme other than the OMSS(D). The initial price fixed for Rice would remain constant for two ethanol supply years to provide policy certainty to distilleries.
- viii) The delivery of rice to the distilleries would be ex-godown loaded to trucks at the cost of FCI. The cost of transportation from FCI godowns to the distilleries has to be borne by the distilleries.
- ix) The normal procedure of 'First-in-First-out' (FIFO) is to be followed while issuing rice to the distilleries.
- x) While observing 'FIFO', priority be given for issue of Common Rice of the same crop year.
- xi) The OMCs would be furnishing details of quantity of ethanol produced from sound rice, received at respective depot every month in a format prescribed by OMCs to the concerned divisional manager of FCI. Therefore, no separate Utilization Certificate need be insisted upon from the distilleries by the FCI.
- xii) FCI, as far as practicable, would arrange delivery of stock from the nearest godown subject to availability & compliance of 'FIFO' principle.