

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

UNSTARRED QUESTION NO: 2773

ANSWERED ON:15.12.2021

Revenue through Sale of Ethanol

Su Thirunavukkarasar

(a) whether the sugar mills/distilleries have generated huge amount of revenue from the sale of ethanol to Oil Marketing Companies(OMCs);

(b) if so, the details thereof for the last three years including current year, year-wise; and

(c) the extent to which diversion of excess sugarcane to ethanol can ensure timely cane price payment to farmers?

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):In last three Ethanol Supply Years(ESY) 2018-19, 2019-20 & 2020-21 revenue of about Rs. 8079 crore , Rs. 7823 crore & Rs. 13598 crore respectively have been generated by sugar mills/ distilleries from sale of ethanol to Oil Marketing Companies (OMCs) which have helped sugarcane mills in making timely payment of cane dues of farmers. It is likely that more than Rs.18,000 crore revenue would be generated in current sugar season 2021-22.

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(c):In every sugar season, production of sugar is around 320-330 Lakh Metric Tonne (LMT) as against the domestic consumption of 260-270 LMT which results in huge carry over stock of sugar with mills. This excess stock of 60 LMT leads to blockage of funds & affects the liquidity of sugar mills resulting in accumulation of cane price arrears. Diversion of excess sugar to ethanol would solve the problem of high inventories of sugar, improve liquidity of mills thereby help in timely payment of cane dues of farmers. In sugar season 2020-21, about 22 LMT of surplus sugar has been diverted to ethanol and about Rs.13598 crore revenue has been generated by sugar mills from sale of ethanol to OMCs. In sugar season 2021-22, it is likely that about 35 LMT of excess sugar would be diverted to ethanol. By 2025, it is targeted to divert 60 LMT of excess sugar to ethanol, which would solve the problem of high inventories of sugar, improve liquidity of mills thereby help in timely payment of cane dues of farmers.
