

Govt eyes cane model to raise maize output, meet ethanol blending target

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The Government may have to develop a sugarcane-type ecosystem for the maize crop over the next two years if the country has to achieve the 20 per cent ethanol blending with petrol (EBP) target, as the molasses-based units would not be able to meet the entire target.

Under the Sugarcane Control Order, sugar mills are mandated to buy entire sugarcane that will be offered by farmers within a geographical area decided by State governments at not below a price fixed by the Centre. The government has also fixed a minimum selling price of sugar for the mills so that they recover a certain amount which is enough to pay the sugarcane farmers after buying their crop.

LIMITATIONS

Union Food Secretary Sanjeev Chopra said there is a limit to increasing sugarcane output, and half of the ethanol requirement has to come from grain-based plants. "When we say 1,300 crore litres of requirement (to meet the 20 per cent blending target), half of which are to come from sugar-based units and half from grain-based, where is the supply to come from," Chopra said on



Union Food Secretary
Sanjeev Chopra

Tuesday, addressing a national seminar on ethanol from maize.

He said sugar has its limitations unless the sugarcane area goes up. With the current level of the area under sugarcane, ethanol production cannot be raised significantly, he said. Grain-based plants, which are tapping subsidised rice offered by the Food Corporation of India (FCI), are not sustainable feedstock for ethanol, he said.

Against the economic cost of rice at about ₹38/kg, the government is offering FCI stock at ₹20/kg to distilleries for the production of ethanol. Chopra said it is just continuing to support the industry but is not a sustainable model.

Summing up the deliberations of the day-long event, he said maize production should go up to 42.5 million tonnes (mt) from the current 34 mt if the 20 per cent target is to be

met. How it can be achieved is something that has to be discussed. He suggested drawing a roadmap with the target. Secondly, the distilleries body should make collaborative arrangements with farmers, similar to what sugar mills have done, to increase the production and productivity of maize.

GOYAL CONFIDENT

Chopra said all stakeholders, including the petroleum ministry, have agreed that a stable price regime will give a fillip to the ethanol from maize programme, as unless it is in place, industry will not set up new plants.

Food and Consumer Affairs Minister Piyush Goyal expressed confidence that the country will achieve the target of 20 per cent blending of ethanol with petrol by 2025 and asserted that maize crops will play an important role in the implementation of this programme. Terming ethanol as a "sunrise sector", Goyal appealed to the industry to set up factories for the manufacturing of this green fuel, which can operate on dual feedstock.

He said India's crude oil import bill could come down by ₹50,000 crore, leading to a huge saving of foreign exchange reserves as the country can lower crude imports by 8 mt if a 20 per cent EBP is achieved.