

# Perspective of Grain Ethanol Plants

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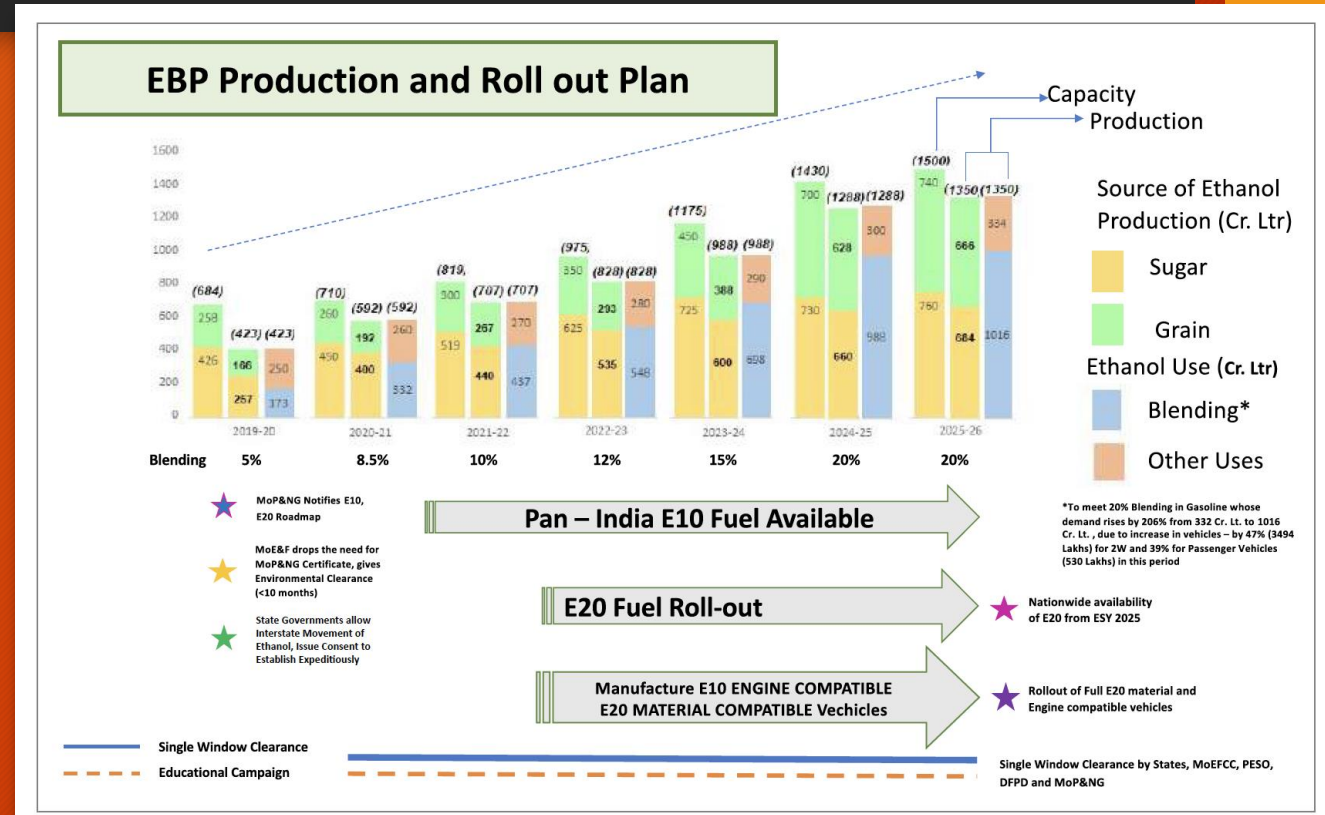
# Sugarcane and Grain Ethanol

Together Sugarcane and grain distilleries will produce 1300 crore liter of ethanol to fulfill E-20 blending targets

Less than 15% grain ethanol at current levels. Targeted to supply 50-50.

Source: Niti Aayog Website

<https://www.niti.gov.in/expert-committee-roadmap-ethanol-blending-india-2025>



# Visible intent of GOI:

- Differential pricing based on feedstock
- Regional development
- Priority to ethanol deficit states
- Efficiencies from large scale of operations
- Priority to water efficient crop - maize/ corn
- GST @ 5%
- Interest Subvention Scheme
- Ease of term loans
- State support and incentives



# Socio-Economic Movement

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- Development of farmers - Sugar cane & Grain
- Parity of income for farmers across the country
- Development of rain deficit states
- Utilization of water efficient crop
- Consume surplus grain from FCI

- ✓ Boost production of protein rich animal feeds
- ✓ Boost production of Edible oils from Corn and Rice Bran

# Grain Ethanol plants

- Ethanol is one single product
- No alternate product such as sugar
- Potable alcohol market saturated
- No dual mode adaptability
- Fuel is outsourced



Highly Vulnerable!

# Parity pricing for Grain Ethanol

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- Average procurement price of Sugarcane ethanol is appx. Rs. 55/ Ltr
- Average procurement price of Grain ethanol is appx. Rs. 51.65/ Ltr
- Of the available Ethanol; Less than 15% is from Grain feedstock



Scope to incentivize pricing for grain ethanol



- Corn to Ethanol conversion is lower
- Steam & power cost to produce DDGS is higher

## Ethanol from corn as feedstock

➔ Ethanol from CORN feedstock at remunerative pricing

Big Applaud  
for:



Timely listing of upcoming ethanol capacities

- Prevent wealth destruction
- Min. 2 years execution time
- Control promotion of industry



- Is TPA only to avail term loan with ISS ?
- Or will it become a form of license ?
- Correct assessment of serious & advanced investors
- Concerns regarding self-evaluation marking in EOI
- Genuine concerns for in-progress expansions of Sugar mills in UP

Curiosity in  
minds of  
participants  
of EOI

# Concerns of Ethanol producers:

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- Success of E-20 and higher blended Ethanol fuel
- Over supply of Ethanol
- Dependence on one single buyer
- Any lapse in tender filing could jeopardise entire year's operations
- Sustainability of conversion margins
- Volatile grain prices vs. fixed annual price of Ethanol
- Raw Material availability
- Oversupply of DDGS (Animal feeds)
- No compatible consumption of CO<sub>2</sub>

# Sugarcane Ethanol Units vs. Grain Ethanol Units

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## Supply period: 6-9 months vs. 12 months

- What does the gap of supply period mean for ethanol users (OMCs) and for grain ethanol producers?
  - Will there be ethanol shortage in gap period ?
  - Or will there be surplus availability in the overlapping period ?
- Does 'dual mode' mean alternate feedstock for sugar mills when molasses is not available or will it eventually convert into two independent operations within the same campus?



# Evident results of Ethanol initiative:

- Technical development:
  - Steam, power & water efficient processing
  - Mega scale of operation
- Evident relief to Sugarcane farmers and Sugar Industry.
- Ray of hope for Grain farmers and Grain ethanol processors.

# Many Thanks to

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- ISMA
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- Esteemed speakers and audience
- Event Organizers

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