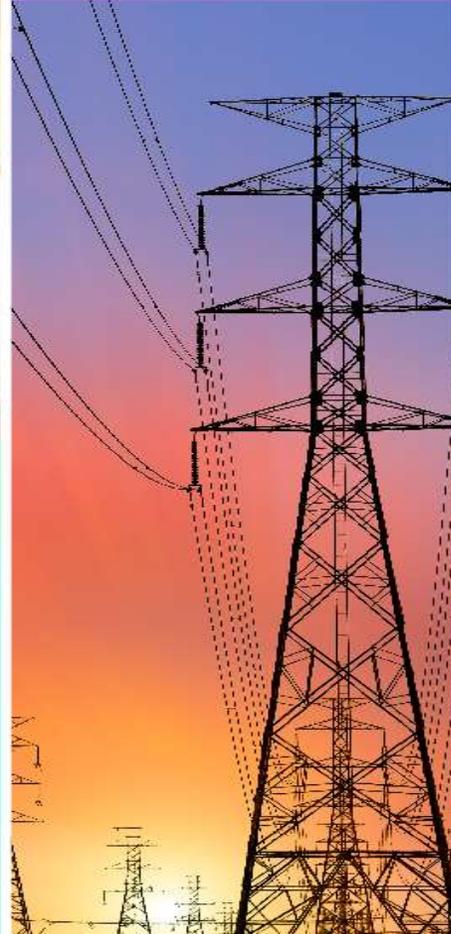




**POWER**



**SUGAR**



**ETHANOL**



## **Ethanol blending Program-**

**Chasing the Fortunes**

**Ravi Gupta**

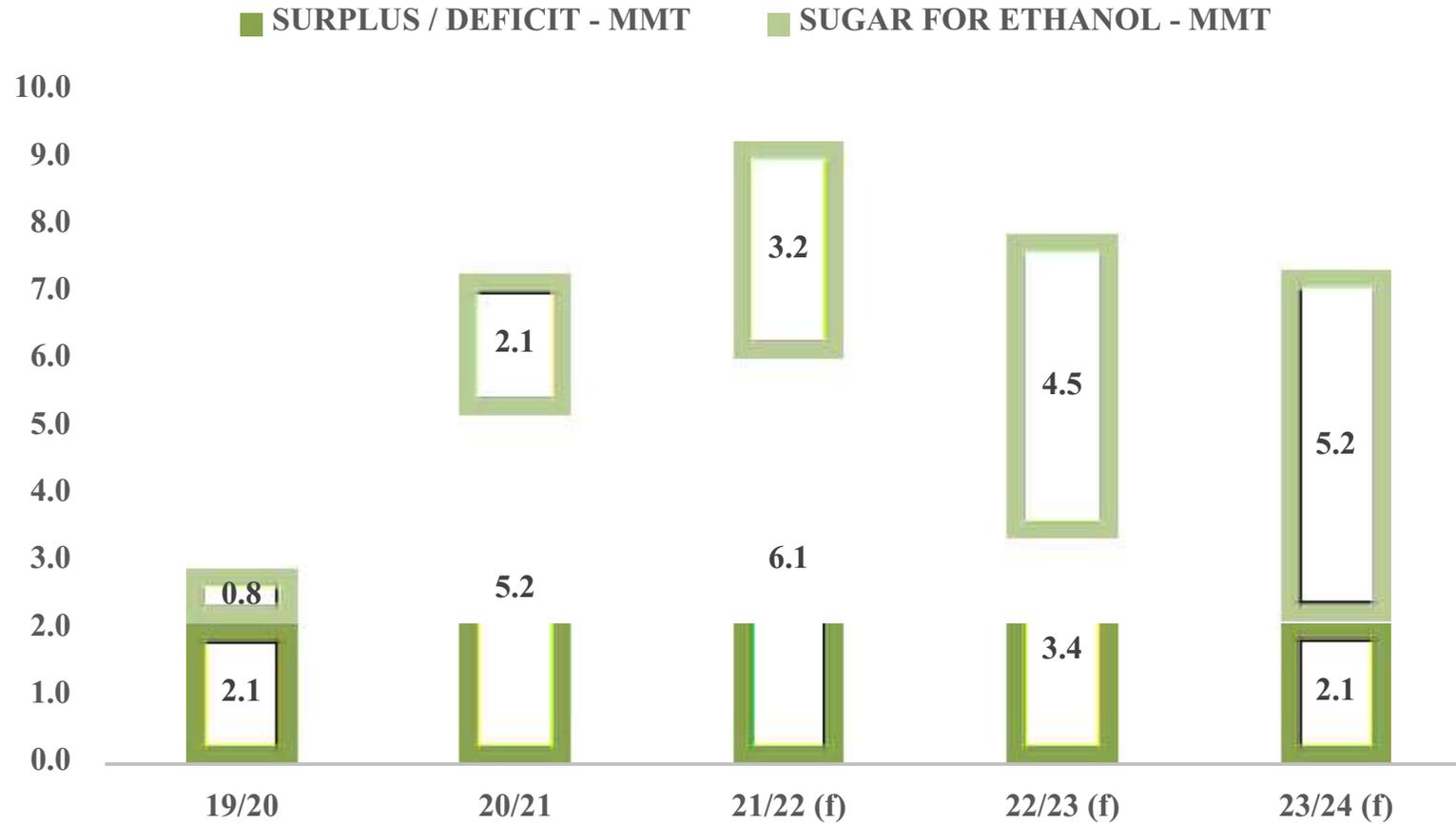
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## ETHANOL PROGRAM : CREATING A STRONG AGRO BASED INDUSTRY

FIG IN MMT	19/20	20/21	21/22 (F)	22/23 (F)	23/24 (F)
OPENING STOCKS	14.3	10.6	8.6	7.7	8.0
SUCROSE PRODUCTION	28.2	33.3	35.9	35	35
SUCROSE FOR ETHANOL	0.8	2.1	3.2	4.5	5.2
SUCROSE FOR SUGAR	27.4	31.2	32.7	30.5	29.8
IMPORTS	0	0	0	0	0
INTERNAL CONSUMPTION	25.3	26	26.6	27.1	27.7
EXPORTS	5.8	7.2	7	3	2
CLOSING STOCKS	10.6	8.6	7.7	8.0	8.1
STOCK IN MONTHS	5	4.0	3.5	3.5	3.5
SUGAR MIX	97%	94%	91%	87%	85%

# SUGAR SURPLUS CONVERTED INTO GREEN ENERGY



# ETHANOL – CHANGING FORTUNE

- MINIMUM ASSURED INCOME TO FARMERS
- SAVING SUBSIDIES
- GREEN FUEL AND CARBON REDUCTION
- CREATING EMPLOYMENT AND RURAL INCOME
- ENERGY SECURITY
- INNOVATION AT ITS PEAK – GREEN HYDROGEN, BIO CNG

# ETHANOL PROGRAM PERFORMANCE

Mn Ltr	Juice	BHM	CHM	Damaged Foodgrain	Surplus Rice	TOTAL	Sugar Loss - KMT
19/20	148	681	741	160		1731	843
20/21	382	1787	381	385	22	2956	2199
21/22 (F)	698	2359	106	396	194	3753	3228

PERFORMANCE OF INDIAN EBP - MN LTR

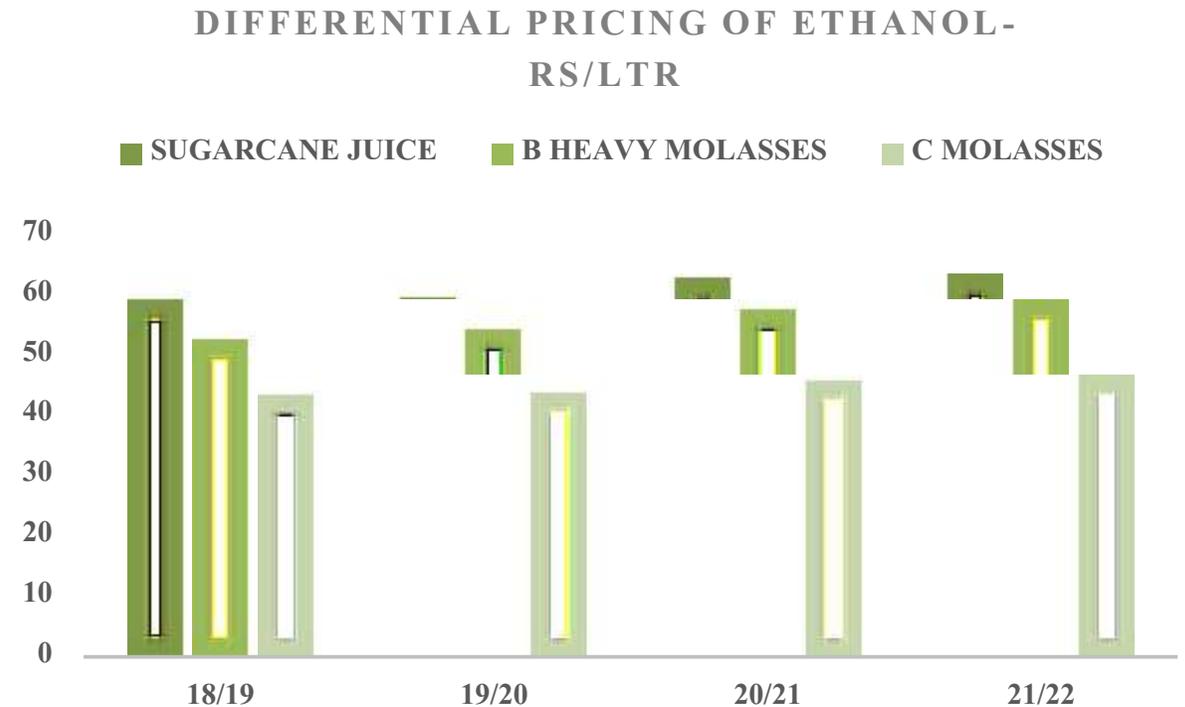


• 21/22 FIGURES HAVE BEEN TAKEN BASIS CONTRACTED QTY

**\* 21/22 TO BE EXPECTED TO BE 4.2 BILLION LITRES PLUS, A RISE OF 40% IN ETHANOL CONSUMPTION**

# DIFFERENTIAL ETHANOL PRICING – GOVT FOCUS TOWARDS GREEN ENERGY

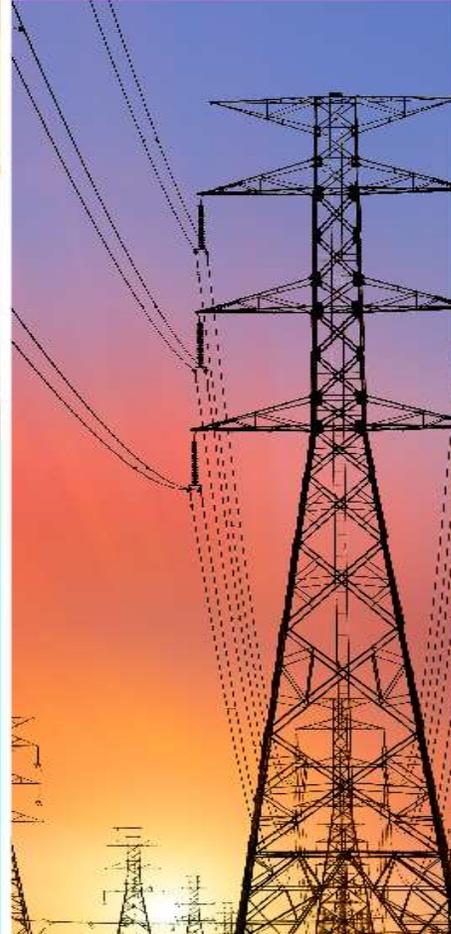
SOURCE	18/19	19/20	20/21	21/22	% Change
SUGARCANE JUICE	59.19	59.48	62.65	63.45	1.3%
B HEAVY MOLASSES	52.43	54.27	57.61	59.08	2.6%
C MOLASSES	43.46	43.75	45.69	46.66	2.1%



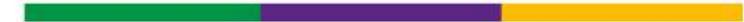
**Higher increase in B- Molasses and Sugar Cane Juice Ethanol**



POWER



ETHANOL



INDIA

Ethanol Policy

Changes faster than expected



SUGAR

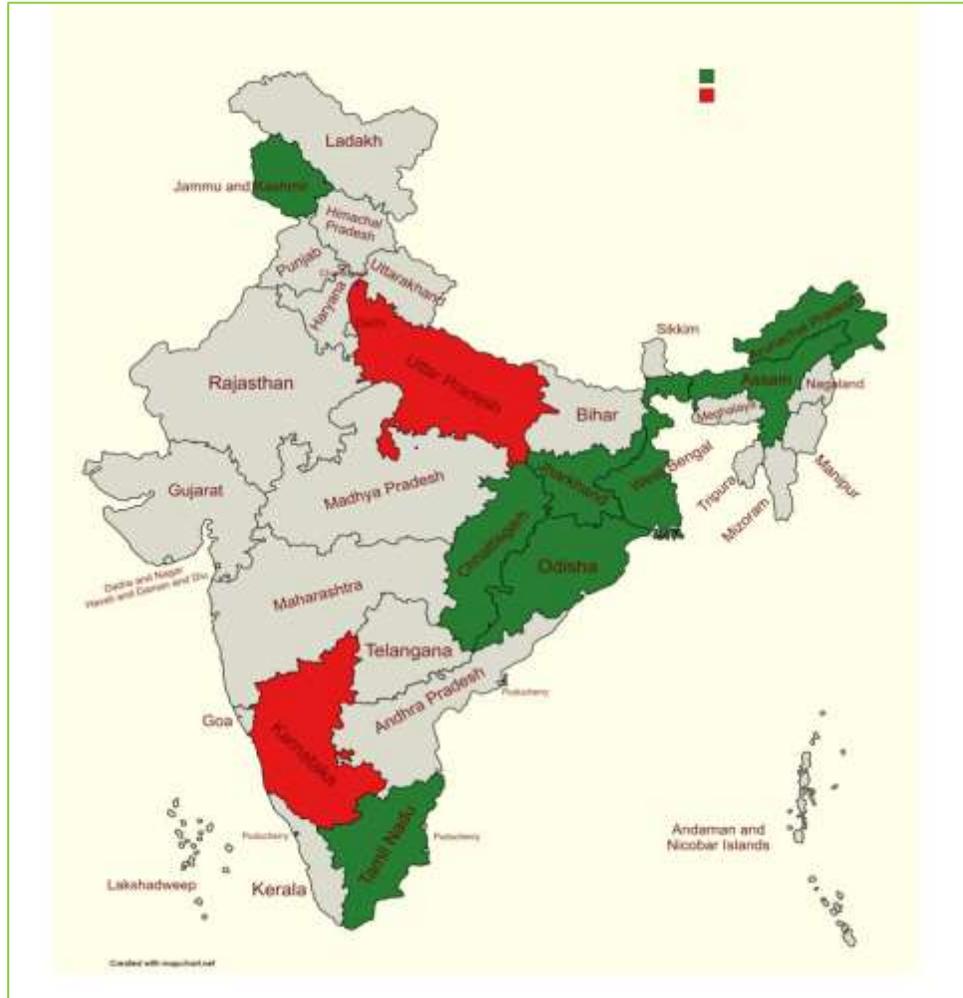
# Ethanol Blending Progress

- Ethanol program 8.75% (658 million liters) as compared to 8.1% last year till Feb. 6, 2022
- 4 States have reached 10% EBP (Maharashtra, Karnataka, UP, Andhra Pradesh)
- OMCs estimate of ethanol requirement is 4600 million liters, ministry of food estimate is 4200 liters. Purchased Qty is 3850 million liters plus qty quoted 380 million liters in new tender so total of 4230 million liters
- A new trend is set now. Ethanol from final molasses is just 120 million liters (3.2% only), max sugar is diverted for ethanol
- India Fuel Ethanol Consumption to rise by 40% in the current year

# Ethanol Blending Policy – Positive Changes

- Ethanol blending increased from 10 pct to 11 pct
- Additional Rs. 2 per liter levy on unblended fuel
- Additional incentive for supplying in areas where the blending is not done
- Flex fuel car roll out in beginning January 2024 – Auto manufacturers told to roll out flex fuel cars in June 2022
- Ethanol pumps roll out in Jan 2024

# Ethanol Blending Programme – New Incentives



The ethanol supplies shall be incentivized by OMCs as under:

S.No.	Ethanol Supplies to OMCs in deficit states	Additional Incentive
1.	Supply of 200 KL & more	Rs. 0.5 per lit. (Inc. of applicable taxes)
2.	Supply of 400 KL & more	Rs. 0.75 per lit. (Inc. of applicable taxes)
3.	Supply of 1000 KL & more	Rs. 1.0 per lit. (Inc. of applicable taxes)
4.	Supply of 2000 KL & more	Rs. 2.0 per lit. (Inc. of applicable taxes)

Strategy is working:

>160 million Liters out of 380 million liters quoted for these states

> States like J&K shall be blending ethanol for the first time

# GOING FORWARD

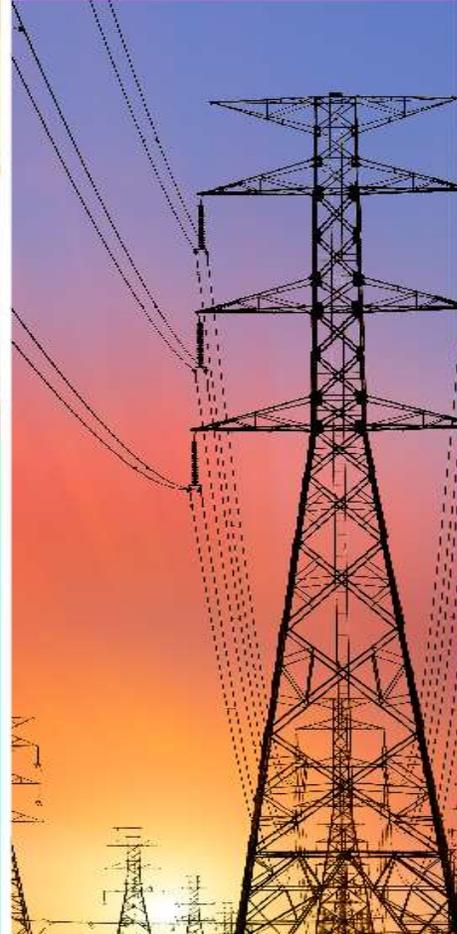
- CONTINUOUSLY INCREASING THE BLENDING PERCENTAGE
- FLEX FUEL CARS
- 100% ETHANOL DISTRIBUTION AT PUMPS
- INNOVATION INTO 2G ETHANOL

# TAKEAWAYS

- GOVERNMENT HAS TURNED A DISTRESS SITUATION INTO FORTUNES
- ETHANOL BLENDING IS ASSURING MINIMUM FARMER INCOME
- FARMER FRIENDLY PROGRAM WHICH BRINGS ENERGY SECURITY AND CLEAN ENVIRONMENT



**POWER**



**ETHANOL**



Thanks



**SUGAR**