



GRAIN ETHANOL MANUFACTURERS ASSOCIATION

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Ref. No. GEMA/2023-24/MOCAFPD

Date :- 28th December, 2023.

Shri Ashwani Srivastava, IAS,
Joint Secretary to Govt. of India,
Department of Food & Public Distribution,
Krishi Bhavan, New Delhi.

Subject: - Points being raised during GEMA meeting on 28/12/23 with DFPD.

Respected Sir,

We are the representatives of Grain Ethanol Manufacturer's Association (GEMA), voicing the grievances & hardships of dedicated ethanol plants (DEPs). Please note that these DEPs have been set up by various entrepreneurs all across the country to contribute to the dream project of Govt. of India to fulfil E-20 EBPP by 2025-26. GEMA represents 370 Crore Liters per annum capacity combined production & supply capacity of 50+ Grain Ethanol manufacturers, Pan-India.

At the outset we would like to draw your kind attention that all our efforts & investments in manufacturing Ethanol through the grain route are predominantly depended upon its viable price based on the market conditions & pricing of feedstock primarily Maize & DFG. In the light of this, we would like to make the following submissions:

1. Thanks to DFPD for promoting grain ethanol industry by providing ISS, LTOA, easy finance and assured feedstock supply etc.
2. All across the country entrepreneurs have set up their units with composite investment of INR 30000 crore, out of which 15/20k crore is operative.
3. In absence of assured feed stock supply from FCI and at the same time double digit inflation in the prices of DFG, the grain ethanol industry is passing thru difficult times.
4. We appreciate DFPD's move to organise seminar on 2 May'23 for **Maize to Ethanol Program** and our industry understood the need of hour but the partial support by correcting the price came only in August'23, whereas GEMA has presented the cost sheet of maize ethanol, which is being ignored even till date.
5. As far as development of eco-system for development of maize is concerned. Industry partners have started doing some efforts like
 - A. Opened purchase CENTERS at plant.
 - B. Started contract farming with farmers.
 - C. Providing seeds to farmers.
 - D. Participating in Training Programs organised by IIMR.
6. Despite all these efforts the success rates are quite negligible.
7. By & large all these efforts to mature to the extent of requirement will take a long-time of 3/5 years at least.
8. Till the time all these efforts mature, our industry is in trouble and craving for feedstock supply at the moment.



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9. Prices apart, DFG and Maize supplies are under great pressure and no unit is able to fulfil its requirement & commitment to OMCs.
10. The industry is in a fix and eagerly looking towards DFPD, the parental body of grain ethanol industry's promotion, for providing immediate relief by making arrangement of feedstock supply at assured price.
11. In the meanwhile, the grain ethanol industry requests to look into the costing of maize ethanol presented on 2nd May'23 seminar and revise it with immediate effect. It is also brought to your kind notice that maize and DFG ethanol prices have to be revised based on current market situation. The prices were revised in August'23, when the price of **DFG was** INR 2550, which **is now** INR 2800, similarly the price of **Maize was** INR 2200 earlier and now it is INR 2550 per quintal.
12. The export of Parboiled rice should be allowed with only 5% broken rice, which at present is 25%. Similarly, the last year its export was of 7 million MT, which may reach to 10 million MT this year.
13. Rice procurement made by FCI permits 25 percent of broken rice, which should be reduced to 5 percent.
14. The steps should be taken to expedite paddy milling, so that availability of broken rice is increased as feedstock for grain ethanol industry.

It is, therefore, requested to kindly take immediate action on our above submissions and oblige.

Assuring you of our best services and attention at all times.

Thanking You,

Yours Faithfully,

Dr. C. K. Jain
President

Received & Signed
28/11/23

(Bojesh, PS to JS)
DFPD, KB, MD
011-23384308