



GRAIN ETHANOL MANUFACTURERS ASSOCIATION

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Ref. No. GEMA/2023-24/MOCAFPD

Date: - 3rd January, 2024.

Shri Piyush Goyal ji,
Honourable Union Minister,
Government of India,
Ministry of Consumer Affairs and
Food & Public Distribution,
Vanijya Bhavan, New Delhi.

Subject: - Request for a sympathetic consideration of Points being raised by GEMA.

Reference:- GEMA's meeting/presentation with **Hon. Minister** on 03/01/2024.

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 combined production & supply capacity of our 50+Members of Grain Ethanol manufacturers across 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 @ MSP etc.
2. All across the country our entrepreneurs have set up their units with composite investment of INR 30000+crore, out of which 15/20k crore is operative.
3. In the 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 through 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 has been ignored till date.
5. As far as development of eco-system for development of Maize is concerned, our 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.



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6. Despite all these efforts the success rates are quite negligible.
7. By & large all these efforts to mature to the extent of our requirements 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 continuous feedstock supply at the moment.
9. Prices apart, DFG & Maize supplies are under great pressure and no Unit is able to fulfil its requirement & commitment to OMCs due to paucity of feedstock.
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 arrangements for 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 2400, which **is now** INR 2700, similarly the price of **Maize was** INR 2050 earlier and now it is INR 2430 per quintal, thereby impacting a delta of Rs.4/Litre.
12. Rice procurement made by FCI permits 25 percent of broken rice, which should be reduced to 5 percent.
13. The steps should be taken to expedite paddy milling, so that availability of broken rice is increased as feedstock for grain ethanol industry.
14. The Scheme to provide incentive to maize growing farmers should be extended/implemented in all States, based on the lines of Haryana Govt.'s Scheme of providing Rs.7000/- per acre to maize growing farmer.

Sir, a copy of our presentation on above points is attached for your perusal & needful.

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