



Challenges of Grain-based Dedicated Ethanol Plants (DEPs)

Presented by

Grain Ethanol Manufacturer's Association (GEMA)

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SUCCESS OF GOI'S BIOFUEL POLICY TO REACH E20 READY FOR FUTURE E-25, D5 & FLEXI FUELS



ESY 24-25			
Ethanol Feedstock	Total Cr. Litre	%	Grain MMT
Maize	431.10	51.5	11.46
DFG	93.85	11.2	2.06
Total Grain	524.95	62.7	13.5
SCJ	188.79	22.6	
BHM	113.93	13.6	
CHM	9.16	1.1	
Total Sugar	311.88	37.3	
Total Ethanol	836.84	100.0	

- Grain Ethanol Supply will increase to 525 Cr. Liter in ESY24-25 from 370 Cr. Liter in ESY23-24 => 1.4 Times increase.
- Farmers are receiving MSP for maize.
- 63% of total supply will be from grain.
- 430 Cr Liter is committed from Maize.
- Maize is a future crop but present availability of 11.46 MMT maize is questionable.
- Grain-based DEPs capacity nearing 600 Cr Liter for EBPP in ESY 24-25.
- Additional 150 Cr Liter capacity will be operative in 12 months.
- Ethanol producers have the capacity to fulfill demand arising from new policies on petrol and diesel blending, for e.g. **E25, D5, SAF & flexi fuels.**

HOW OMC'S ARE RECEIVING ETHANOL AT LOSSES TO INDUSTRY?



- Losses in keeping the plant shut are higher, than in supplying ethanol at losses.
- If plant is kept non-operational – Cost of manpower, establishment, finance & penalties of non-supply are FIXED, which is app Rs. 9.50/Liter.
- Plant capacity reduces by 20%, in maize as compared to DFG – This leads to higher fixed expense ratio in Maize.
- Total variable cost are higher in Maize as compared to DFG.
- Due to limited availability of DFG; industry has opted for maize, even though the losses are high – only to keep the plant running.
- In all situations; plants are incurring losses.

CHALLENGES FACING THE GRAIN ETHANOL INDUSTRY



1. VIABLE PRICING

2. FEEDSTOCK AVAILABILITY IN ESY 2024-25 & ONWARDS

3. SC RULING - EMPOWERING STATES TO REGULATE DEPs

4. VIABLE OPERATIONS WILL ENABLE INDUSTRY TO
ACHIEVE 20% BLENDING TARGET

VIABLE PRICING – SINGLE RATE FOR GRAIN ETHANOL



Price of Maize Ethanol 2024-25			
Particulars	UoM	2023-24	2024-25
Maize MSP	Rs./ Quintal	2090	2225
Maize to Ethanol	Kg/ Liter	2.66	
Increase in MSP	Rs./ Kg	1.35	
Increase in Maize Ethanol	Rs./ Liter	3.59	
Maize Ethanol	Rs./ Liter	71.86	75.45
Single Rate for Grain Ethanol			
Ethanol Allocated ESY 24-25	Cr. Litre	Rs./ Liter	Rs. Crore
Maize	431.10	75.45	32,527.15
DFG	93.85	64.00	6,006.50
Total Grain	524.95	62.7	38,533.65
AVG Single Rate for Grain Ethanol		73.40	Rs./Liter
Cost to OMC for revising ethanol price corresponding to MSP			1548 Rs. Crores

- MSP of Maize has increased by Rs.1.35/Kg to Rs.22,250/Kg.
- OMSS Rice is available from FCI at Rs. 32/kg.
- Maize Ethanol should increase to Rs.75.45/Liter as per MSP increase.
- Impact of increasing ethanol price corresponding to MSP is merely Rs.1548 Crores.
- 11.46 MMT Maize required for 431 cr. Liter Ethanol = 1/3rd of India's maize produce.
- Make One Single Rate of Rs.73.40/ Liter for All grain based ethanol.

HOW WILL ONE SINGLE RATE FOR ALL GRAIN ETHANOL HELP?



PROBLEM

- India is not prepared to spare 11.46 MMT Maize for Ethanol for the present.
- Extreme shortage of maize will lead to extra-ordinary inflation & high imports by other industry.

SOLUTION

- Mix grain will allow manufacturer's to choose viable grain for ethanol.
- Single price will ease-out grain inflation.
- 23 LMT FCI Rice will become affordable by ethanol manufacturers.
- Ease of accountability of feedstock for grain ethanol industry.
- Rs. 40,000 crore investment by grain ethanol industry will be saved from NPA.

FEEDSTOCK AVAILABILITY – FCI RICE UNDER OMSS



PROBLEM

- OMSS Rice is issued only to DEFICIT STATES
- OMSS Auction gives right to traders and manufacturers to bid for 23 LMT rice issued for ethanol.

SOLUTION

- 23 LMT OMSS Rice for Ethanol should be issued exclusively to Ethanol Manufacturers, Pan-India (not only to deficit states).
- OMSS Rice will become affordable at Single AVG Rate as proposed or at corresponding ethanol price.

HUMBLE REQUEST



1. Make One Single Price of Grain-Ethanol based on Weighted Average, after factoring-in the increase in MSP of Maize.
2. Make 23 LMT OMSS Rice procurable by Ethanol Manufacturers by issuing it Pan-India and exclusively to Ethanol Manufacturers.

RECENT RULING BY HON'BLE SC

1. Rectification via an act of parliament that gives center complete control on regulation and taxation to maintain the status quo of Ethanol for blending with fuels.

MAIZE FARMERS GETTING WELL ABOVE MSP IN MANDI'S



कार्यालय कृषि उपज मंडी समिति छिंदवाडा
दैनिक-भाव
दिनांक-21.10.2024

क्रं	जिन्स का नाम	अनुमानित मात्रा (क्विटल में)	अनुबंध संख्या	न्यूनतम दर	उच्चतम दर	मॉडल दर
1	मक्का (पीला)	8957	328	1500	2599	2350
2	गेहूँ (लोकल)	3817	210	2770	3200	2890
3	चना	15	06	5076	6500	6100
4	मटर	07	01	3085	3085	3085
5	सोयाबीन (पीला)	558	52	3400	4504	4100
	योग	13354	597			

Success of Bio Fuel Policy in favor of farmers indicative by farmers getting Maize price well above the MSP near Ethanol plants.

कृषि उपज मंडी चौरई जिला छिंदवाड़ा दैनिक आवक भाव दिनांक 23/X/2024

	जिंस	कृषक संख्या	मात्रा (बोरा में)	भाव (रूपयों में)		
				न्यूनतम	उच्चतम	मॉडल
1	मक्का	156	4902	1700	2600	2340
2	गेहूँ	3	49	2864	2880	2871
3	सोया.	1	22	4101	4101	4101
	योग	160	4973			

व्यापारी संख्या 23

MAKKA-UGAO CAMPAIGN BY GEMA MEMBERS



मक्का उगाओ,
खुशहाली
पाओ



अपने सदस्यों और चैनल पार्टनर्स (कृषिविज्ञानी, बीज/ उर्वरक/ कीटनाशक आपूर्तिकर्ता, वेयरहाउसिंग व लॉजिस्टिक सेवा प्रदाता, व्यापारी नेटवर्क और उपभोक्ता) से आग्रह करता है, की मक्के की बुआई को बढ़ावा दें:

- जागरूकता बढ़ाकर।
- गांवों में बैनर लगा कर।
- डिजिटल छवियाँ को सेक्रेलेट।
- ऑनलाइन उपलब्ध शैक्षिक वीडियो को सेक्रेलेट करें।
- किसानों के लिए कार्यशालाएँ।

जो आप कर सकते हैं, वो आप करिये॥

- GEMA members together with ministry of agriculture & IIMR have made committed efforts to increase area under maize cultivation by distributing free seeds, educating farmers and buying back maize at MSP.
- Maize cultivation is rapidly growing, but it will take few years for crop to grow to required quantities.

डॉ. चंद्र कुमार जैन
अध्यक्ष सह प्रबंध निदेशक

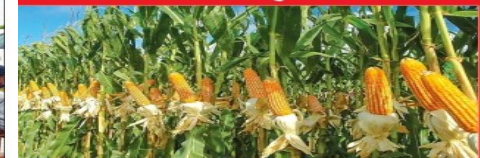
मक्का उगाओ, खुशहाली पाओ

GULSHAN

धान को त्याग मक्के की फसल लगायेगे फिरोजपुर गांव के किसान, एमजी पेट्रोकेम के द्वारा मक्के का बीज करवाया जायेगा उपलब्ध



किसान भाईयों के लिए खुशखबरी
खरीफ के सीजन में मक्की उगाएं
ज्यादा से ज्यादा मुनाफा कमाएं



किसी भी भट्टे वाले या किसी भाई को फ्लाई ऐश की जरूरत हो तो संपर्क करें:-



ई-20 ग्रीन फयूलज प्राइवेट लिमिटेड

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ज्यादा से ज्यादा पेड़ लगाओ एवं वातावरण को बचाओ।

REPRESENTATION ON CHALLENGES OF GRAIN ETHANOL INDUSTRY



Thank You
for your support

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