

GEMA/2024-25/PMO/244

Date: 04th January 2025

To,

Shri Tarun Kapoor Ji,

Advisor to PM,
PMO Office, GOI,
New Delhi.

Subject: Request for Support: Issuance of Surplus FCI Rice to Grain Ethanol Industry and Price Equalization for Grain-Based Ethanol

Respected Sir,

We extend our sincere gratitude for the opportunity to highlight the challenges faced by the Grain Ethanol Industry and propose potential solutions.

At the outset, we commend your visionary leadership and relentless efforts in driving entrepreneurial growth and fostering investments worth ₹40,000 crores through initiative of the Ethanol Blended Petrol Program (EBPP). This movement has significantly mobilized the rural and agricultural sectors of our economy.

The exponential growth of the Grain Ethanol Industry has led to a sharp increase in feedstock prices, rendering ethanol production economically unviable. To address this critical issue, we respectfully propose the following measures:

1. **Issuance of Surplus FCI Rice:** Allocate surplus FCI rice to the Grain Ethanol Industry until sufficient maize crop becomes available to meet industry demands.
2. **Linking FCI Rice Pricing to Ethanol Procurement Rates:** Align the pricing of surplus FCI rice with the ethanol procurement formula specified in tenders issued by OMCs.
3. **Maize Ethanol Pricing:** Establish a link between the pricing of maize-based ethanol and the MSP of maize to ensure fair valuation.
4. **Price Equalization:** Standardize the pricing of all grain-based ethanol based on a weighted average of the allocated quantities for ESY (C-1, C-2) 2024-25, as determined by the OMCs.

We are confident that your esteemed intervention will pave the way for the sustainable growth of the Grain Ethanol Industry, benefiting rural livelihoods and supporting the broader national agenda of energy self-reliance.

Thank you for your kind consideration. We remain hopeful for a favorable resolution to this pressing matter.

Warm Regards



Dr. C. K. Jain, President