

Ref. No. GEMA/MoHA&C/2024-25/209

Date: 26th October, 2024

To,

Shri Amit Shah Ji

Honorable Minister to the Govt. of India

Ministry of Home Affairs & Cooperation

North Block, New Delhi - 110001.

Subject: Grain Ethanol Industry under pressure of survival.

Respected Sir,

I am grateful for your personal call in response to the representation by GEMA.

I am now grateful for sparing your valuable time to hear the problems faced by Grain Ethanol Industry.

Sir, with your great initiative and personal indulgence, the grain industry has grown to supply more than 600 Crore Litres of Ethanol in very short period of 3 years and another 150 to 200 Crore Litre is expected to come in operation in next 12 months.

Sir, we are also thankful for your indulgence in taking the decision of revising the procurement price of Maize Ethanol on 3rd January 2024 enabling the units to procure the Maize above MSP and promote the Maize cultivation across the nation.

Sir, after your kind support in revising the Maize Ethanol price by ₹ 5.79 P/Ltr. on 03rd January 2024 the Grain Industry could mobilize the procurement of Maize for Ethanol and within these eight months industry could procure more than 5.5 MMT of Maize from framers at way above the MSP prices. This humongous consumption has created a huge gap in demand and supply position in feedstock for Grain Ethanol. Consequently, the Grain Ethanol has landed into a seriously unviable operation.

Sir, you will be knowing that total requirement of Maize for offered Ethanol in ESY 2024-25 will be 12 MMT which would not be possible to be grown in short period. It will need at least 3-5 years to reach the production of Maize from present 37 MMT to more than 50 MMT.

Following are the points for your kind intervention:

- **The tender of OMC for supply of Grain Ethanol During ESY 24-25 does not take the cognizance of the prices revised in MSP of Maize and Paddy which is clear from table below:**

Year	MSP of Maize (₹ Per/Qtl)	Maize Ethanol Procurement price by OMC (₹ P/Ltr.)	MSP of Paddy (₹ Per/Qtl)	DFG Ethanol Procurement price by OMC (₹ P/Ltr.)
2024-25	2225	71860	2400	64000
2023-24	2090	71860	2183	64000
2022-23	1962	56350	2040	55540

We request that the ethanol procurement price should be revised in line with increase in MSP of Maize.

- **In the present circumstances the Weighted Average Single Price for all grain should be allowed which is worked out to ₹ 73.40 /Liter. The impact of same is in the range of ₹ 1500 to 1600 Crore to OMCs. This will also enable industry to lift 23 LMT of OMSS rice.**
- **Rectification via an act of parliament that gives GOI complete control on regulation and taxation to maintain the status quo of Ethanol for blending with fuels.**
- **Roadmap for future E-25, D5, SAF & Flex-Fuels together with the estimate of feedstock requirement and availability should be worked on so that the total grain ethanol capacity-built pan India at the cost of ₹ 40,000 Crores can be fully utilized.**

We thank you sir for giving us your valuable time to hear us out and look forward for favourable decision at the earliest.

Warm regard & Thanking You



Dr. Chandra K. Jain

President

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