



Ref No. GEMA/MoHA/2024-25/111

12th July, 2024

To,

Shri Amit Shah Ji

Honorable Minister to the Govt. of India

Ministry of Home Affairs,

North Block, New Delhi - 110001

Sub: Impending crisis of grain-based Dedicated Ethanol Plants (DEPs) due to non-availability of feedstock and unviable price

Respected Shri Shah ji,

On behalf of Grain-based ethanol distilleries, we wish to bring to your notice the following alarming situation faced by the industry across the country:

1. Severe shortage of both broken rice and maize due to various factors including failure of monsoon, exports to Southeast Asia and Sub-Saharan African nations, competition by poultry and starch industries for the same feedstock.
2. In the past 6 months the average price of broken rice sky-rocketed from an average of Rs 22-24/kg to Rs 27-29/kg, and even at this price range supplies are limited to sustain production.
3. In the past 6 months the average price of Maize sky-rocketed from an average of Rs 22-23/kg to Rs 26-27/kg, and even at this price range, very limited stock available.
4. NAFED and NCCF are struggling to procure and supply to Maize to DEPs as the open market price is higher than the current MSP price of Rs 20.90, and with the revised MSP it is impossible for them to do any procurement for the ethanol industry. They couldn't meet the requirement of units as per their purchase orders and now they are refunding the amount paid in advance.
5. As it is, DEPs are under severe financial stress due to steep increase in feedstock price and price fixed by GOI/OMCs has not yet factored in the increase in MSP as well as the rise in open market price.
6. Most DEPs are operating with less than 10 days feedstock, and if the situation doesn't improve, may have to suspend operations temporarily.
7. Many DEPs are almost on the verge of not able to service their debt, and with the impending suspension of operations, run the risk of being declared as NPAs.



GRAIN ETHANOL MANUFACTURERS ASSOCIATION

Mob: +91 9910613300, +91 8287928065

E-mail: contactinfo.gema@gmail.com

www.gemabharat.com

In light of this alarming situation, we request immediate relief from the government on the following lines:

- Supply a portion of 17 million tons of surplus rice from FCI stocks to DEPs and fix the price of ethanol in proportion to the FCI issue price.
- Permit duty free import of Maize by DEPs directly for the next 24 months till prices stabilize in the local market and Maize production increases substantially.
- In the interim, revise price of ethanol produced from broken rice (DFG) through open market to Rs 72/liter and from Maize procured in the open market to Rs 82/liter.

We also request your appointment at the earliest available opportunity so that our delegation can brief you in person.

Warm regards

A handwritten signature in black ink, appearing to read 'Chandra K. Jain', with a small flourish at the end.

Dr. Chandra K. Jain
President