

GEMA/2025-26/741

Date: 28.11.2025

To,

Shri Piyush Goyal ji

Hon'ble Minister of Commerce & Industry

Government of India

Vanijya Bhawan, New Delhi

Subject: Gratitude for Advancing India's Biofuel Mission and Request for Policy Support to Ensure Stability of the Ethanol Sector

Respected Sir,

On behalf of the Grain Ethanol Manufacturers Association (GEMA), we express our sincere gratitude for your visionary leadership that has helped India emerge as a global leader in clean energy. Under your able guidance, the grain ethanol industry has grown rapidly and enabled the country to achieve 20% ethanol blending within the targeted timeframe. Your efforts have significantly improved farmers' income, boosted rural employment, and strengthened India's energy security.

Despite this remarkable achievement, the industry is currently facing operational challenge due to low purchase orders, referred to as allocations, from the OMCs for the current Ethanol Supply Year (ESY 2025-26). The industry is operating at far below than the viable level of efficiency, due to low purchase orders (allocations) from OMCs.

India has built over 1300 crore liters of grain-based ethanol capacity. However, the current tender has allocated only about 750 crore litres, leaving nearly 40–45% of capacity unutilized. This under-utilization is causing financial stress on the entire newly developed industry.

Reduced allocations have led to reduced maize procurement, which is directly affecting coarse grain farmers. Many plants are struggling to service loans, maintain farmer commitments, and support rural employment.

Our Submissions for Your Kind Consideration are as follows:

1. Increase Ethanol Blending Percentage

- The current national average of around 20% blending may be increased to 25–26% to utilize existing capacity and give confidence to farmers, investors, and manufacturers.

2. Fast-Track Flex-Fuel Hybrid Vehicles

- We request policy support to promote flex-fuel hybrid vehicles (FFVs) in India. These vehicles offer high efficiency, lower emissions, and further savings in foreign exchange. Their adoption will also help farmers and support rural economies.

3. Regulation of New IEM Approvals

- To protect existing investments, new Industrial Entrepreneur Memorandums (IEMs) may be regulated and issued only after consultation with OMCs—similar to the process followed for sugar mills, which require consent from the state sugarcane commissioner.

Conclusion

Sir, we humbly request your support to protect and stabilize the grain ethanol industry, which has been built entirely on your vision. With a few important policy alignments, India can ensure long-term sectoral stability, safeguard rural livelihoods, and further strengthen its leadership in the global biofuel economy.

We seek your guidance and blessings to ensure harmony across the ethanol value chain and to enable this nationally important sector to continue contributing to India's growth.

Yours sincerely,



Dr. C.K. Jain, President

Enclosed: Presentation on Challenges of Grain-based Ethanol Plants