

GEMA/2025-26/739

Date: 28.11.2025

To,

Shri Pralhad Joshi Ji

Hon'ble Minister of Consumer Affairs

Food and Public Distribution

Krishi Bhawan, New Delhi

Subject: Gratitude for India's Biofuel Leadership and Request for Policy Alignment to Ensure Harmony and Long-Term Viability of the Ethanol Sector.

Respected Shri Joshi ji,

On behalf of the Grain Ethanol Manufacturers Association (GEMA), we express our deepest gratitude for your guidance and support, positioned India as a global champion in the transition to clean energy through biofuels. With your guidance and support the Government of India's *Make in India* vision have transformed the ethanol ecosystem, created lakhs of rural jobs, and significantly strengthened India's energy security.

Today, India has, for the first time in its history, built an ethanol production capacity greater than its immediate domestic demand—a remarkable milestone driven entirely by your futuristic policies. This capacity base is a national asset and a testament to your commitment to a greener, self-reliant Bharat.

However, while the nation has achieved this enviable capacity, the industry is currently facing operational challenges arising from significant reductions in ethanol offtake allocations in the ongoing ESY.

Current Challenges Faced by the Ethanol Industry:

1. Significant Reductions in Allocations

- Ethanol units operating under Long-Term Offtake Agreements (LTOAs)—which were established based on Government assurance—have received allocations 30–40% lower than their offered quantities.
- Non-LTOA plants have suffered even sharper cuts, with allocations reduced by 60–70%, creating acute distress in several regions.

2. National-Level Underutilization

- India today has over 1,300 crore litres of grain-based ethanol production capacity built under your Make in India mission.
- However, the current tender has resulted in allocations of only about 750 crore litres, meaning 40–45% of national capacity is lying unutilized.

3. Impact on Farmers Income, Rural Economy along with viability of units

This imbalance between installed capacity and actual offtake has placed several plants—especially newly commissioned units—under severe financial strain. Lower allocations are resulting into lower offtake of maize, effecting the economy of farmers.

Many units are finding it difficult to service bank loans, maintain farmer procurement commitments, and sustain rural employment. This threatens the long-term health of an industry built entirely on your policy vision and supported by significant investments from banks and entrepreneurs.

4. Need for Policy Alignment and a Robust Future Roadmap

The ethanol sector has invested thousands of crores in response to the Government's target of 20% blending by 2025. As India continues its endeavor to reduce crude imports and uplift farmers, it is imperative to harmonize blending policies, procurement frameworks, and new ethanol end-uses so that existing national capacity is utilized efficiently.

Our Submissions for Your Kind Consideration

1. Increase in Ethanol Blending Percentage

- The current national average blending level of around 20% may be immediately increased to 25–26% to absorb existing surplus production.
- A calibrated national roadmap may be issued to reach 25% blending by 2027, giving long-term visibility and confidence to farmers, young investors and manufacturers.

2. Guaranteed Minimum Offtake for Operational Units

- All commissioned ethanol plants—especially those operating under LTOA—may be provided with a minimum annual offtake guarantee up to design capacity, ensuring viability, protecting employment, and honouring the policy commitments under which these plants were set up.

3. A Flexible, Region-Specific Blending Strategy

- OMCs may be allowed to adopt a dynamic blending model, where blending percentages vary regionally based on local ethanol availability, logistics cost, and feedstock mix.

This would ensure optimal capacity utilization without affecting national blending targets.

4. Encouragement of New End Uses for Surplus Ethanol

To expand the market beyond petrol blending, surplus ethanol may be encouraged for:

- Industrial chemicals and green solvents,
- Bioenergy and power generation,
- Sustainable Aviation Fuel (SAF) production,
- Exports to biofuel-deficit nations.

A supportive policy framework will unlock new demand and strengthen India's global leadership in renewable fuels.

Additional Strategic Recommendations for India's Biofuel Future

5. Fast-Track promotion of Flex-Fuel Hybrid Vehicles

- A. Flex-fuel hybrid vehicles operating on E80 are among the most efficient and environmentally friendly mobility solutions globally. We humbly request policy alignment and OEM support to make E80 flex-fuel hybrids widely available in India at the earliest.
- B. India can become a global pioneer by mainstreaming E100 as a fuel for two-wheelers, three-wheelers, and small urban vehicles. OEMs in India are already technically ready to roll out E100-compatible engines with minimal modifications.



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Conclusion

The ethanol industry stands united in gratitude for your never-ending efforts to build a clean, secure, and self-reliant energy future. With a few structural policy alignments, India can ensure the long-term stability of the ethanol ecosystem, protect rural livelihoods, and strengthen its global leadership in biofuels.

We humbly seek your guidance and support to bring harmony across the ethanol value chain and ensure that this nationally important sector continues to thrive.

Yours sincerely,

Dr. C.K. Jain, President

Copy to: 1) Sh. Sanjeev Chopra, Secretary, DFPD, New Delhi
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