

Ethanol From Grains May Generate Rs 35,000 Crore In Earnings For Farmers

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India's ethanol blending programme has become a global clean energy success story, achieving nearly 20 per cent ethanol-petrol blending, well ahead of its 2025 target. This milestone was the focal point of a high-level roundtable held on Wednesday, where government officials, industry leaders, and policy experts gathered to discuss the future of the Ethanol Blended Petrol (EBP) Programme.

The event also marked the release of the 'Thought Leadership Report', a strategic roadmap outlining ethanol's critical role in enhancing energy security, promoting rural development, and advancing climate goals. The report calls for stronger policy support, greater stakeholder collaboration, and increased technological investments to expand ethanol production, especially from grain-based sources like maize and surplus rice.

India has rapidly scaled up ethanol blending, from surpassing 10 per cent in 2022 to reaching 19.6 per cent in January 2025. This initiative has helped the country save over Rs 1.08 lakh crore in foreign exchange, replace approximately 185 lakh metric tonnes of crude oil, and cut down 557 lakh metric tonnes of carbon dioxide emissions.

Concerns Over Food Security

The report highlighted concerns over food security, emphasising that India is a grain-surplus country with around 165 lakh metric tonnes of excess grain available annually. This surplus could be redirected for ethanol production, potentially generating over Rs 35,000 crore in direct income for farmers and supporting rural livelihoods.

However, the report highlights key challenges such as rising maize prices, stagnant ethanol procurement rates, and shrinking margins from by-products like DDGS. It recommends dynamic ethanol pricing, scaling up maize cultivation, ensuring a steady supply of surplus FCI rice, and building strong market linkages for ethanol co-products.

Sustainable Growth

The roundtable, hosted by Primus Partners in collaboration with the Grain Ethanol Manufacturers Association (GEMA) and the Indian Federation of Green Energy (IFGE), featured insights from senior government officials and industry experts, who shared actionable strategies to drive the sector's sustainable growth.

"We understand the current challenges of India's grain ethanol story industry. There is a roadmap being planned; it will address multiple issues – feedstock availability and supply of broken and surplus rice from FCI, scope for E100/E93/E85, possibility of SAF (Sustainable Aviation Fuel), etc. We need to work together on this," said Ashwini Srivastava, Joint Secretary, Department of Food and Public Distribution.

Abhinav Singal, Treasurer, Grain Ethanol Manufacturers Association (GEMA), said, "Ethanol Blending program (EBP) is a great step forward by the GOI to ensure India's future energy security, rural development, increasing farmer's income manifold and reducing carbon footprint in the environment. In the last two years, Grain Ethanol Industry has grown & become the largest contributor to the EBP of India. Still, India being a Grain surplus country- the Grain Ethanol Industry requires timely support from government of India with right policy initiatives & direction to grow and thrive in the future."

"India's ethanol success is a result of bold policy decisions and collaborative industry efforts. The grain-based ethanol industry, in particular, holds immense potential to drive rural economic development, enhance farmer incomes, and ensure year-round ethanol production. It must be actively promoted through supportive policies, assured feedstock supply, and fair pricing mechanisms. This roundtable is a step toward building consensus among stakeholders and crafting actionable strategies that will ensure long-term sustainability and growth of the ethanol sector. IFGE remains committed to enabling a robust and future-ready ethanol ecosystem that supports India's clean energy transition and national energy security," said Sanjay Ganjoo, Director General, IFGE (Indian Federation of Green Energy).