

Voluntary Report – Voluntary - Public Distribution

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Report Name: Government of India Approves Market Year 2020-21 Revised Procurement Prices for Fuel-use Ethanol

Country: India

Post: New Delhi

Report Category: Biofuels, Policy and Program Announcements, Agriculture in the News

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Report Highlights:

On October 29, 2020, India's Cabinet Committee on Economic Affairs (CCEA) chaired by the Prime Minister approved revised prices for ethanol procurement by the state-owned Oil Marketing Companies (OMC) for ethanol supply year 2020-21.

Background

In an effort to limit sugar production and increase domestic production of ethanol, the CCEA, chaired by the Prime Minister of India approved following prices for the forthcoming sugar season 2020/21 during the ethanol supply period, which runs from December 1, 2020 to November 30, 2021:

- Ethanol derived from C-heavy molasses fixed at INR 45.69/liter or \$0.61/liter (from the previous price of INR 43.75/liter).
- Ethanol derived out of B-heavy molasses and partial sugarcane juice fixed at INR 57.61/liter or \$0.77/liter (from the previous price of INR 54.27 per liter).
- Ethanol derived from 100 percent sugarcane juice/sugar/sugar syrup fixed at INR 62.65/liter or \$0.84/liter (from the previous price of INR 59.48/liter) for mills that will divert 100 percent sugarcane juice for ethanol production.
- Additionally, Goods and Services Tax (GST) and transportation charges will also be assessed. The OMCs are advised to fix realistic transportation charges so that long distance ethanol transport is not discouraged.

Please note that this program extends nationwide, except the union territories of Andaman Nicobar and the Lakshadweep islands.

The Government of India's (GOI) current Ethanol Blending Program mandate is to reach a ten percent national average blend with gasoline by 2022. Previously, the GOI instituted this objective across all cane-growing states but could only achieve 5.2 percent blend rate in market year 2020/21 due to inadequate price incentives and occasional insufficient feedstocks (See: [GAIN: 0122](#)).

Please find the official notification [here](#).

Attachments:

[PIB1668399.pdf](#)