

No.1(11)/2018-SP-I (Part)
Government of India
Ministry of Consumer Affairs, Food & Public Distribution
Department of Food & Public Distribution

Krishi Bhawan, New Delhi
Dated the 18th September, 2018

To
All Sugar Mills

Subject: Incentive for diversion of sugar for ethanol production -regarding.

Dear Sir,

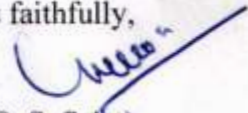
As you are aware that in order to enhance production and supply under Ethanol Blended with Petrol (EBP) Programme, the Central Government has allowed production of ethanol directly from B-heavy molasses and sugarcane juice. Further, with a view to increase production of ethanol and its supply, specially in the surplus season and thereby to improve the liquidity position of the sugar mills enabling them to clear cane price arrears of the farmers the Government has also notified a Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity.

2. Moreover, for ethanol supply year 2018-19, the Government has also fixed the remunerative ex-mill price of ethanol derived out of C-heavy molasses and B-heavy molasses route at Rs.43.46/litre and Rs.52.43/litre respectively. The Government has also fixed the ex-mill price of ethanol derived from 100% sugarcane juice at Rs.59.13 per litre for those mills who will divert 100% sugarcane juice for production of ethanol.

3. Now, with a view to further incentivize the sugar mills for producing ethanol from B-heavy route or from sugarcane juice, it has been decided that the sugar mills would be allowed to sell additional quantity of sugar equivalent to total quantity of sugar diverted by the sugar mill for production of ethanol (from B-heavy molasses or sugarcane juice), over and above the quantity of sugar to be sold during a month as per stock holding limit order issued for each month.

4. Diversion of sugar to produce ethanol through B-heavy route or from direct cane juice, should be calculated at production of 600 ltrs of ethanol from each tonne of sugar sacrificed.

Yours faithfully,


(G. S. Sahu)

Director (Sugar Policy)

Tel : 23383760

Copy to:- (i) Joint Secretary (Refineries), Ministry of Petroleum & Natural Gas
(ii) ISMA/NFCSF- with the request to inform their member mills about the decision.