



## *“Is Ethanol Still A Game Changer for the Sugar Industry ?”*

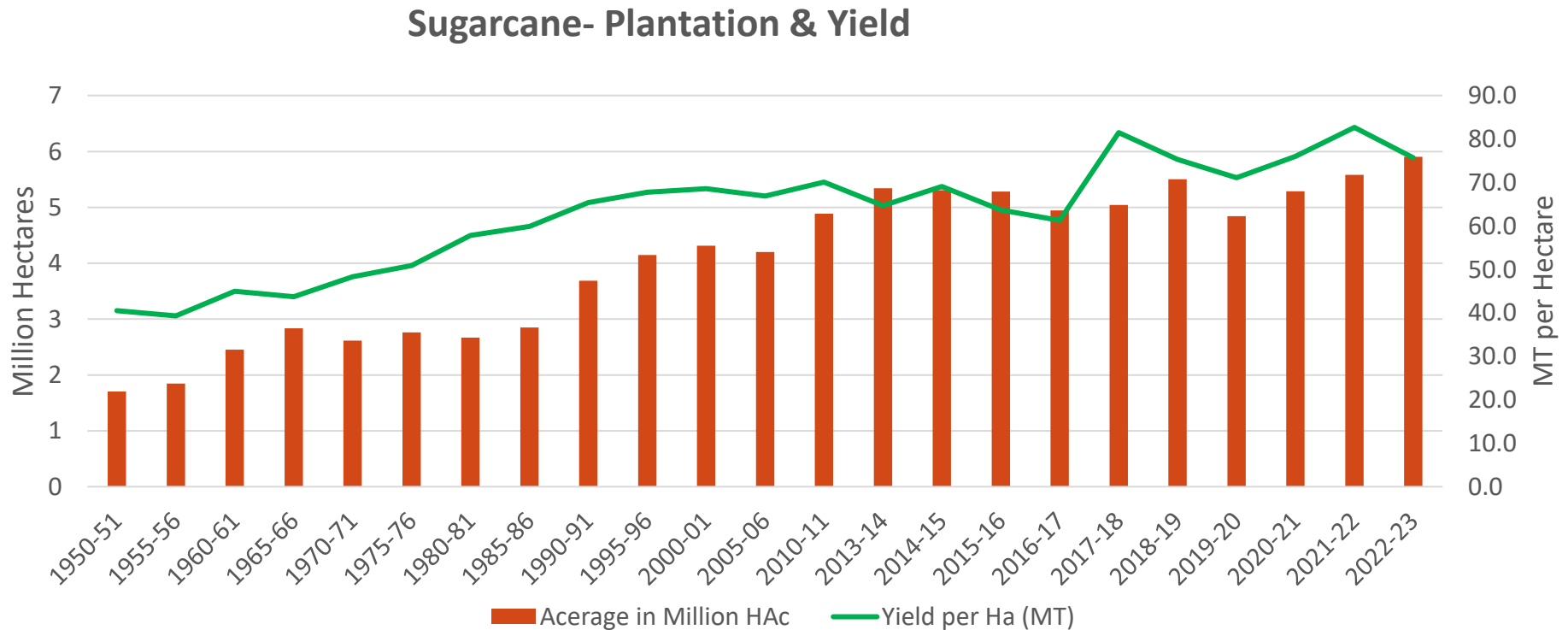


Presented by:

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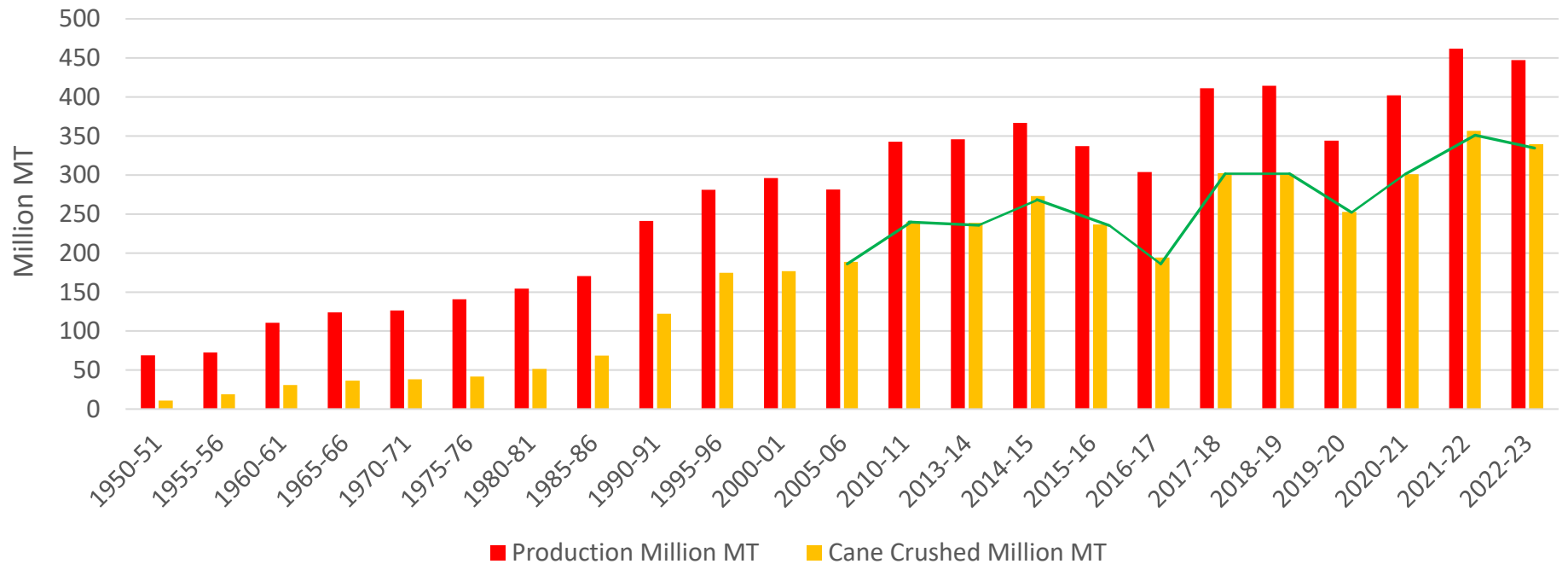
# Sugarcane-Plantation & Yield



For the last 10 years, the sugarcane plantation has been in the range of 4.8 to 5.9 Million Hectares which indicates swing of cane plantation.

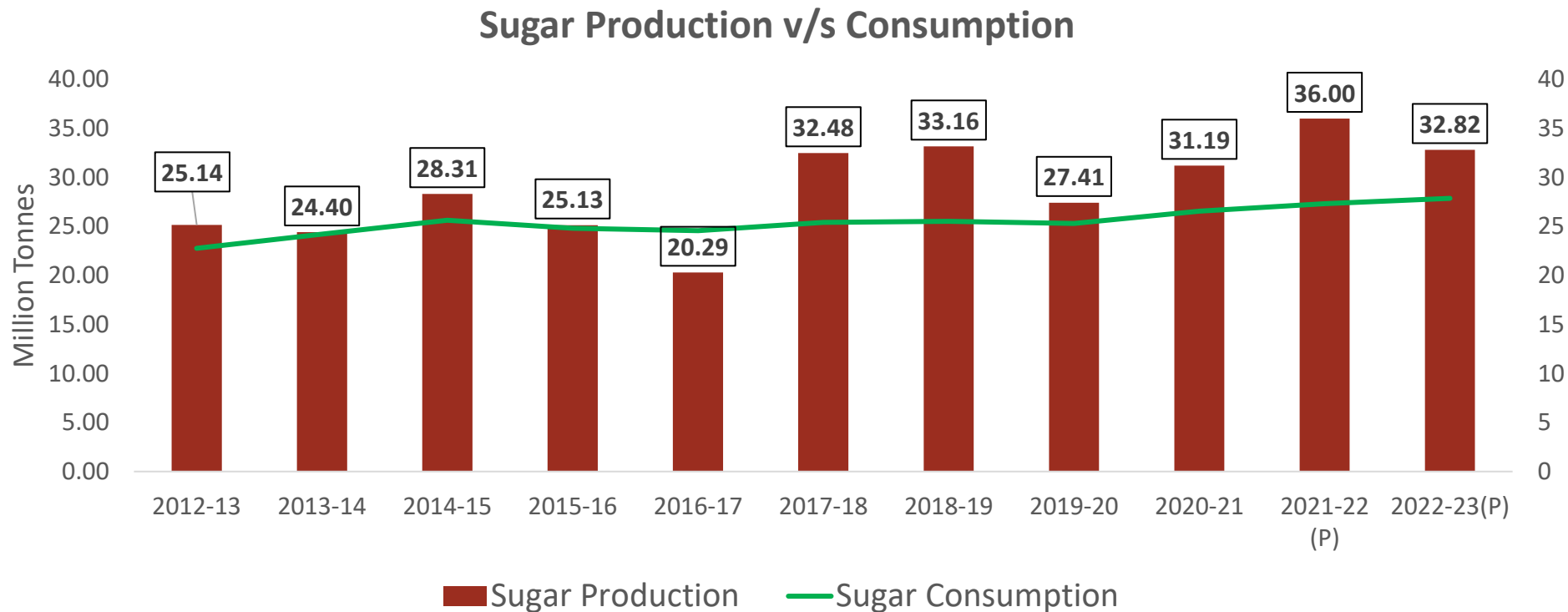
# Sugarcane-Production & Cane Crushed

Sugarcane- Production & Cane Crushed



Cane crushed has been in the range of 188.7 to 356.4 Million MT.

# Indian Sugar Industry Production and Consumption



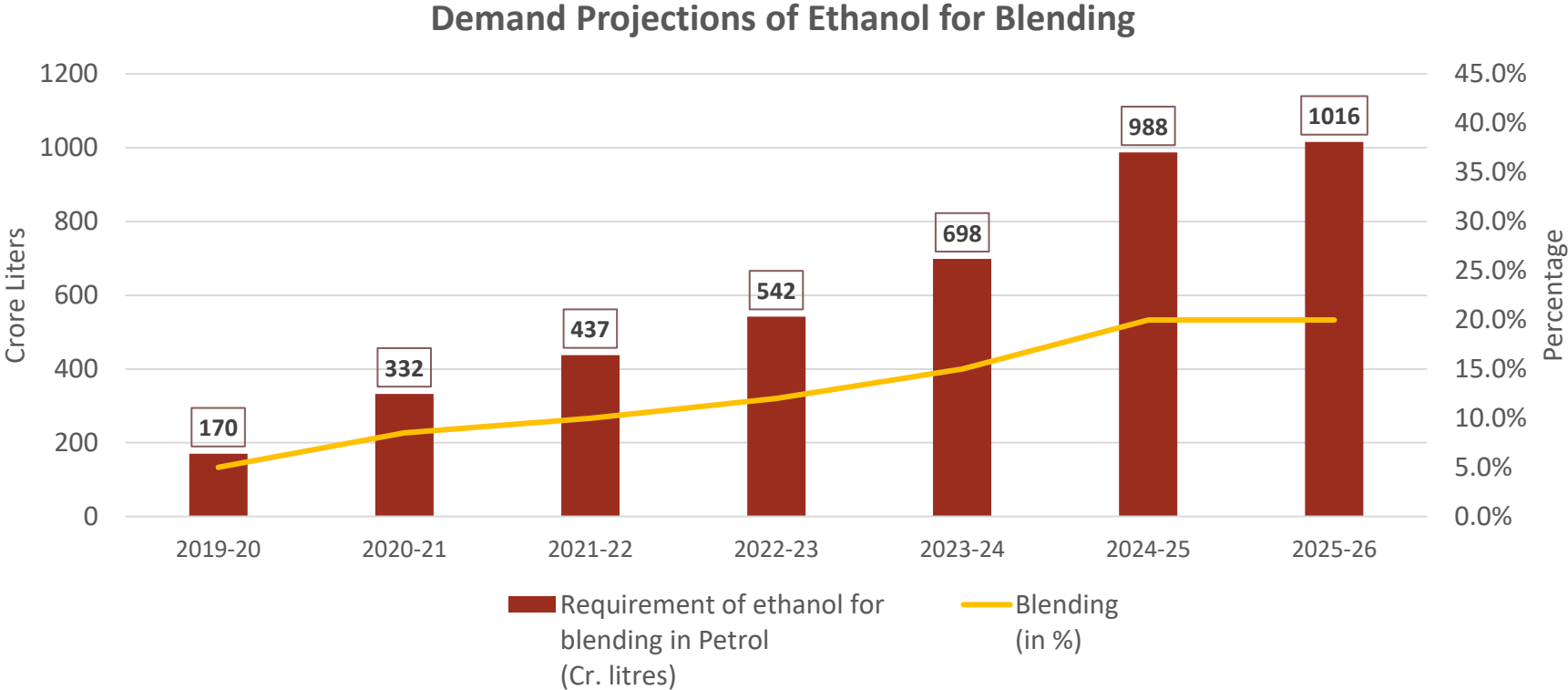
Sugar production swing has been between 20.29 – 36.00 Million MT

# How EBP is A Game Changer for Indian Sugar Industry ?

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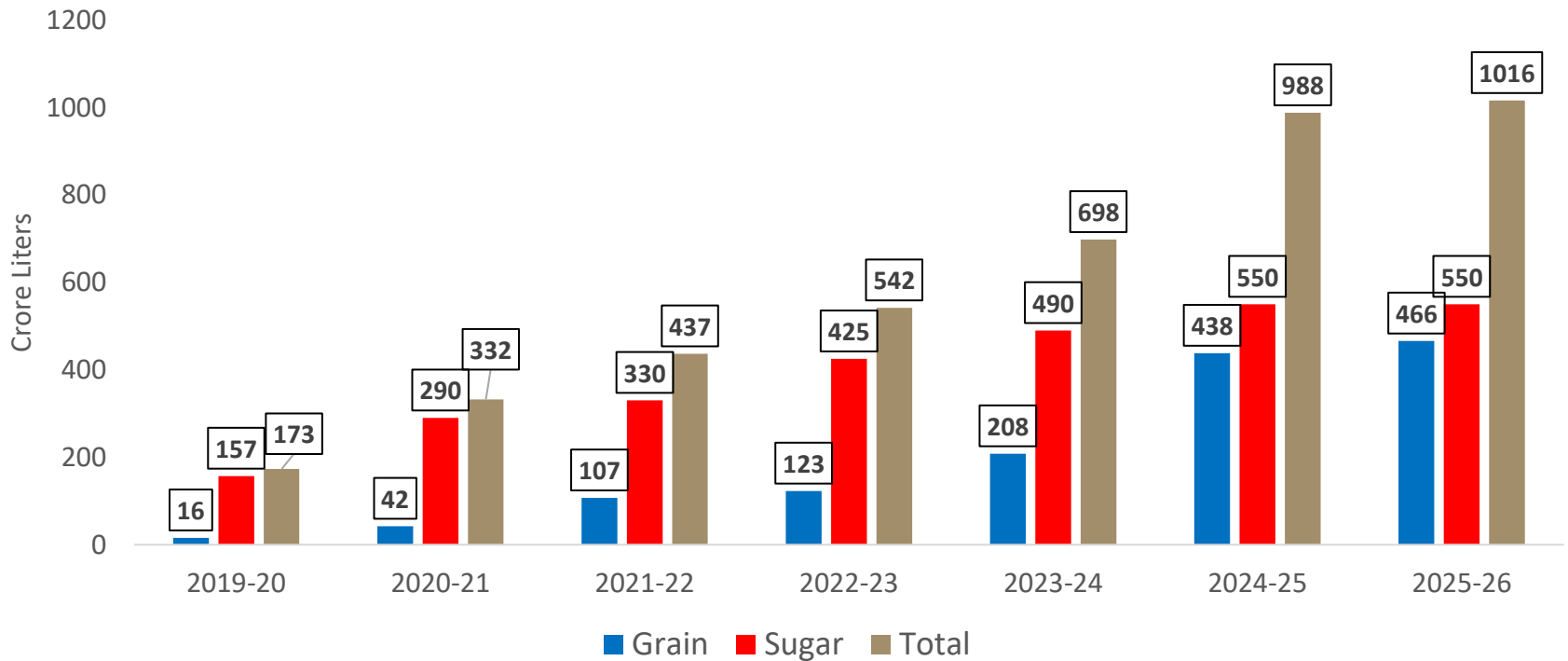
- Surplus stocks of sugar put pressure on domestic prices of sugar
- Excess stocks of sugar also affects liquidity positions of sugar mills
- With increasing demand of ethanol, surplus stocks of sugar can be diverted for ethanol production resulting in faster liquidation of surplus stocks
- Such product diversification will improve cash flows for sugar mills and thereby increase value for all key stakeholders
- Timely payment of dues to farmers
- New and additional employment generation
- Recognition of sugar industry as green industry helps in increasing stock prices of sugar companies

# Demand Projections of Ethanol for Blending



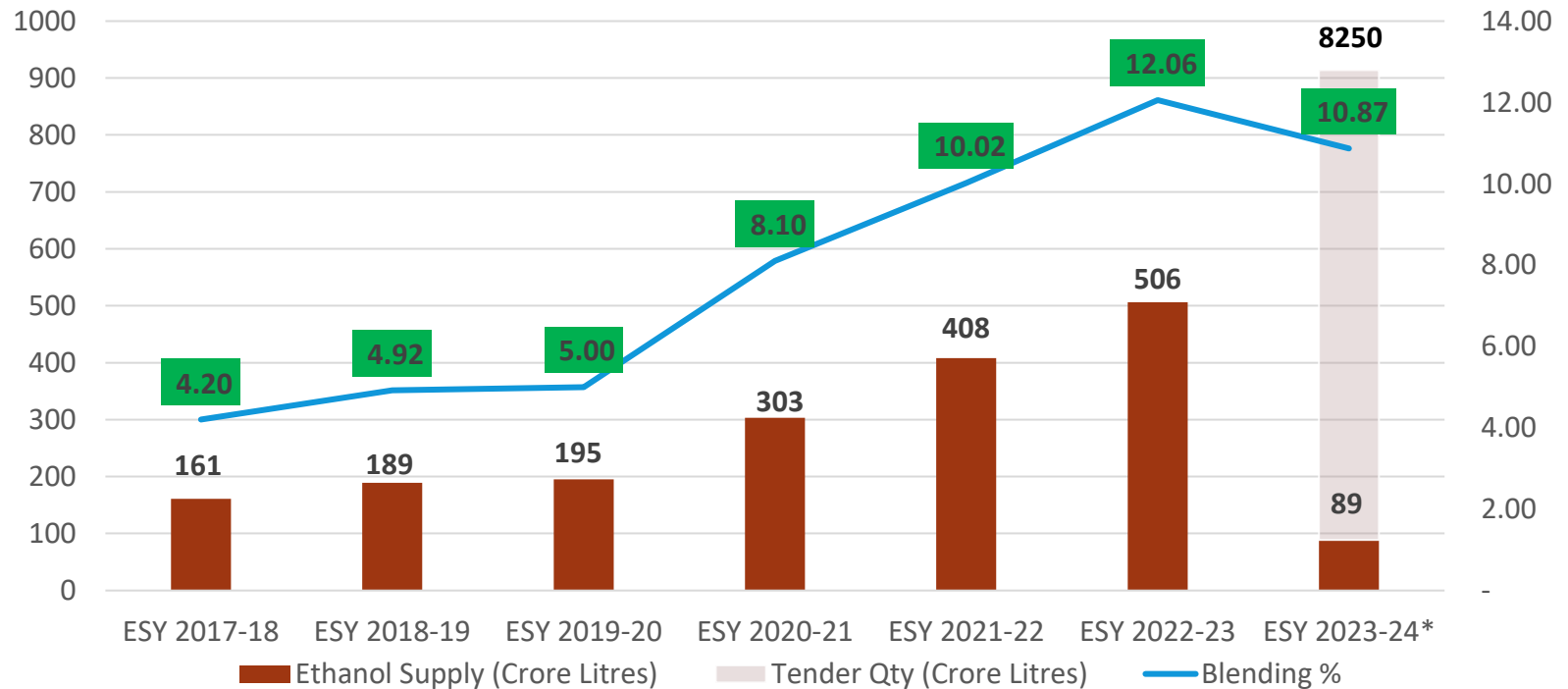
# Production Projections of Ethanol for Blending

Ethanol Production Projections



# Ethanol Supply & Blending Achieved

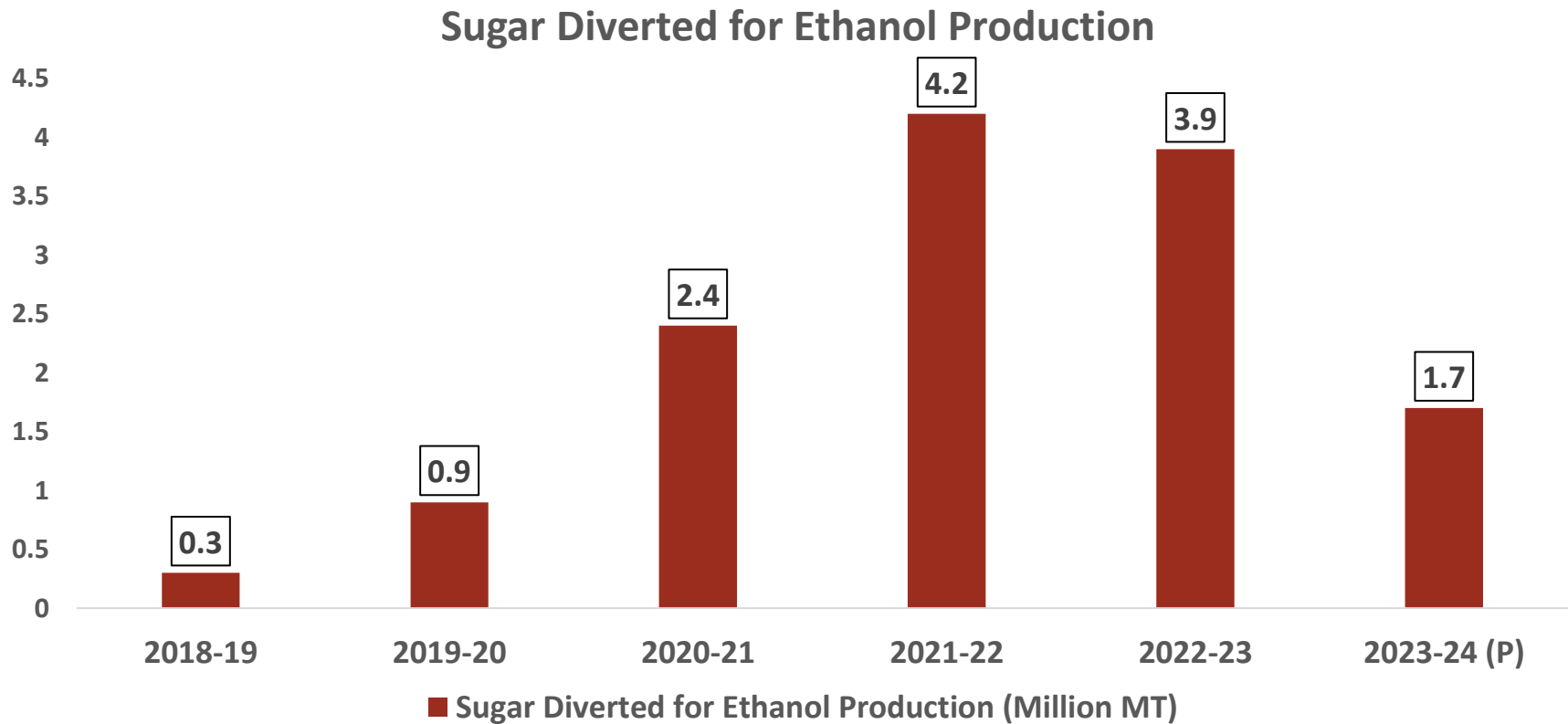
Ethanol Supply & Blending Position



This year it is unlikely that the ethanol projected demand will be met as there are restrictions on diversion of sugar to ethanol



# Sugar Diversion for Ethanol Production



This year sugar diversion to Ethanol should be increased immediately further after re-assessment of crop especially in Karnataka & Maharashtra. This will help improve the ethanol supplies further.

# What is the future of Ethanol Blending Program?

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- EBP has its own advantages like providing stability to sugar prices by maintaining the sugar balance sheet, environmental advantages and making the industry more farmer friendly.
- This year due to less opening balance of sugar and estimated lower production due to drought, Government of India decided to be very pro-active & allowed only 1.7 million MT of sugar as against of around 4 million MT last year.

# What is the future of Ethanol Blending Program?

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- Due to the pause in the EBP this year, there is pain to the industry as ethanol plants are idle and industry is facing tough time as interest of these plants and idling costs will impact the economics of the industry.
- The demand of ethanol continues to be strong by the various measures taken by the government which are discussed later in the presentation.
- Therefore, whenever the cane crop gets normalized, cane juice ethanol production and supply will resume.
- The industrial capacity built up over the past 4-5 years, will help achieve the above.

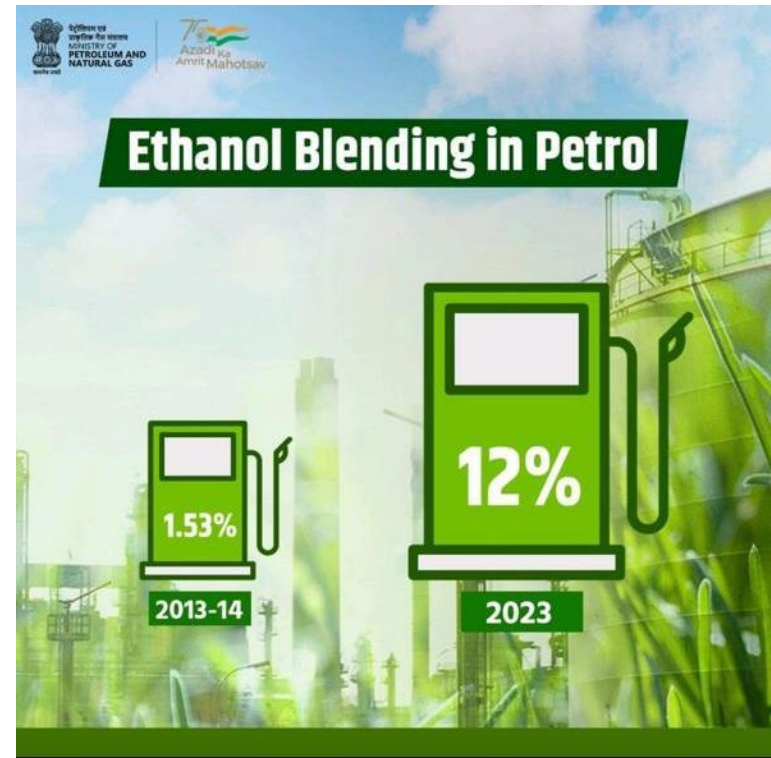
# Government & Industry New Initiatives for EBP

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# Initiatives undertaken for EBP by Government & Industry

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- Sugar industry has invested and increased its ethanol capacity to almost 8 Billion liters with help from the central government through its Interest Subsidy scheme.
- Production has been increased by the industry multi-fold times over past 8-9 years and government has off-taken the produced ethanol to achieve 12% blending last year.
- To fill the gaps caused by the pause in Cane Juice & B Heavy Ethanol offtake , ethanol production from grains, especially maize has been encouraged. Further, Government has announced increase in price of ethanol from C Molasses to Rs.56.28/litre and price of ethanol from maize increased by Rs.5.79/litre.



With support from the Government, Industry has been able to increase ethanol production multi-fold levels in last 8-9 years.

# Initiatives undertaken for EBP by Industry & Government


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- Over 6000 E20 retail pumps started by OMCs over the last year.
- LanzaJet has announced starting of pilot plant for production of Sustainable Aviation Fuel (SAF) in India.
- India has announced 1% blending of SAF in Aviation sector by 2025. To reach this goal, 14 crore litres of SAF would be required annually and requirement will reach 70 crore litres for 5% blending in future.
- A commercial flight between Pune-New Delhi was operated using 1% blended SAF (indigenously produced) for demonstrative purposes.
- Indian Air Force is also planning to starting using SAF blends in its Dornier planes.

MINISTRY OF PETROLEUM AND NATURAL GAS

**New India's**  
**E20 Revolution: The Road to Tomorrow.**

**6000** Over 6000 E20 retail outlets



Over  
6000 E20  
retail  
outlets  
started !

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# Sustainable Aviation Fuel (SAF) – Commercial flight with indigenously produced 1% SAF blending flown





**Hardeep Singh Puri** • [+ Follow](#)

Union Minister of Housing  
and Urban Affairs & Petr...

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India had successfully launched its inaugural commercial flight featuring 1% ethanol-blended Sustainable Aviation Fuel (SAF). To reach the targeted 1% SAF blending in Aviation Turbine Fuel (ATF), India anticipates an annual requirement of 14 crore liters, escalating to 70 crore liters for a 5% blending goal.

A significant leap toward sustainable aviation practices.

Ethanol blending will immensely benefit sugar farmers and help green energy transition.

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## Sustainable Aviation Fuel (SAF)

– Requirement of **14 Crore Liters** for 1% Blending & **70 Crore Liters** for 5% Blending Goal !

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# Conclusion :

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- I believe ethanol story is fully intact and a tight balance is required between the sugar & ethanol.
- As we have seen, cane production is cyclic, and we are presently in the lower phase of the cycle and a better phase will also come.
- The prices of ethanol should be increased regularly to make ethanol more remunerative to the industry and farmers who will expand cane plantation and supply. This will help in keeping in improving the economic health of the industry.
- SAF is a great new opportunity for the ethanol industry where demand is high as Aviation industry is also expanding.
- With the all the above, I see that the EBP will improve and continue to be a **GAME CHANGER** for the sugar industry !

THANK YOU