

ETHANOL AND SUGAR MILLS

Prelims- Economics- Agriculture,

Mains - GS3- Major crops cropping patterns in various parts of the country, different types of irrigation and irrigation systems storage, transport and marketing of agricultural produce and issues and related constraints; e-technology in the aid of farmers.

Context- Recently Union Minister for Road Transport & Highways exhorted sugar mills to switch to producing ethanol.

Issues:

- ✚ The surplus production of sugar is a major problem.
- ✚ It is not possible to reduce it, and it is also hard to change crop patterns.
- ✚ Sugar mills must decide whether they want to make sugar or ethanol from sugar cane juice. In Brazil, the price of sugar is ₹22 per kg while in India; we have fixed Rs 32-34 per Kg. Hence in the world market, nobody is willing to buy our sugar and as a result, we are making losses.”

Benefits:

- ✚ Would prove beneficial for tackling the problems stemming from surplus production and falling prices.
- ✚ Steady rise in ethanol blending is set not only to **save import of crude oil** thus saving of precious foreign currency reserves, but also encourage use of additional cane juice and other raw materials efficiently in addition to protect environment from release of motor vehicle obnoxious gas.

Maharashtra Sugar Mills:

- ✚ Maharashtra is slow in giving permission to sugar factories for converting sugar cane juice to ethanol and B class molasses to ethanol.
- ✚ As a result, a number of sugar factories could not start adopting this policy.

Ethanol Blended Petrol (EBP) Programme:

- ✚ The 5% mandatory ethanol blending with petrol
- ✚ The EBP Programme is presently being implemented in a total of 13 States with blending level of about 2% against a mandatory target of 5%.

- ✚ A stable EBP programme would ensure sustainable benefits for the sugarcane farmers across the nation. It will ensure an alternative market for the farmers who frequently get adversely affected in case of bumper crop of sugarcane and lack of its demand in the market. It will also provide an incentive to small and medium farmers to increase efforts towards sugarcane crop as better returns would be ensured.

