



# NEWS OF THE WEEK

BIOFUELS | Week 5 JAN 2025

## ISMA Seeks Higher Ethanol Prices from Sugarcane

ISMA urges the government to raise ethanol prices from sugarcane juice and BHM, citing rising costs and the need for timely farmer payments. It proposes an FRP-linked pricing formula to sustain industry viability and support ethanol blending targets.

## OMCs Tender for 124 Crore Litres of Ethanol

India's OMCs issued a tender for 124 crore litres of ethanol from FCI rice and C Heavy Molasses for ESY 2024-25. The government targets 18% ethanol blending, with production capacity sufficient for 20% blending by 2026.

## Government Pushes for Ethanol Expansion and Price Reductions

The government aims to reduce ethanol fuel prices for flex-fuel vehicles and allow sugar mills to set up ethanol pumps. Nitin Gadkari emphasized 20% ethanol blending by 2025-26, promoting ethanol use in green energy and road construction.

## Amit Shah Launches Cooperative Initiatives in Nashik

Union Minister Amit Shah addressed the Nashik Cooperative Conference, announcing initiatives to strengthen cooperatives, boost organic farming, and enhance ethanol production. He highlighted soil testing labs, PACS modernization, and government support for farmers, emphasizing "Sahkar Se Samriddhi" for prosperity.

## IndianOil Receives Five Bids for India's Largest Green Hydrogen Plant at Panipat

IndianOil Corporation received five bids to set up a 10,000-tonne-per-annum green hydrogen plant at its Panipat refinery, aiming to create India's largest green hydrogen production facility.

**Government and industry leaders are pushing for increased ethanol production and usage. Key developments include proposals for ethanol tax credits in Kansas, faster ethanol bill payments in India, and price revisions to support production. Nitin Gadkari highlighted new ethanol initiatives, while PM Modi and others emphasize reducing crude imports and supporting farmers.**

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## INTERNATIONAL NEWS

### Kansas Bill Proposes Ethanol and Biodiesel Tax Credits

Kansas lawmakers introduced HB 2012, proposing a 5-cent-per-gallon tax credit for higher ethanol blends and a similar incentive for biodiesel. The credits, capped at \$5 million annually, would run from 2026 to 2031.

### Corn Prices Rise Despite Ethanol Production Drop

Corn futures gained 5-12 cents, with cash prices at \$4.61 1/4. Ethanol production fell to 1.015 million bpd, while stocks dropped 152,000 barrels. Traders anticipate USDA's export sales report to show 0.85-1.8 MMT corn sales.

### Ethanol Production Drops, Exports Rise

U.S. fuel ethanol production fell 8% to 1.015 million bpd for the week ending Jan. 24. Stocks declined 1% to 25.722 million barrels, while exports rose 6% to 179,000 bpd. No ethanol imports were reported.





# NEWS OF THE WEEK

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## Brazil's Ethanol Boom: Rising Corn Production and Domestic Demand

GOI has boosted biofuel production with measures like expanded ethanol feedstocks, reduced GST (5%), financial support for advanced biofuels, and incentives for biodiesel and CBG. Impact (2023-24) - Rs 23,100 cr paid to farmers, Rs28,400 cr foreign exchange saved, 43 lakh metric tons crude oil substituted, 29 lakh metric tons CO<sub>2</sub>.

## Govt Prioritizes Ethanol Over Sugar Exports

India will prioritize ethanol needs before approving sugar exports for 2024-25, despite a projected surplus of 1-1.2 million tonnes. ISMA urges immediate exports, citing favorable global prices and limited time before Brazil's sugar enters the market. The government is also reviewing low uptake of surplus rice for ethanol and plans to link sugar dispatches with GSTN.

## India Accelerates Ethanol and Bioenergy Investments

India's bioenergy sector is seeing significant growth with Modi Biotech investing ₹100 crore to expand ethanol capacity to 310 KLD in Raipur, Godavari Biorefineries committing ₹130 crore for a 200 KLPD dual-feedstock ethanol plant, and BCL Industries advancing multiple biodiesel and ethanol projects. TruAlt Bioenergy's partnership with Sumitomo further boosts initiatives in ethanol, biogas, and sustainable aviation fuel, supporting India's energy security and net-zero goals.

## Contrasting Strategies: Balrampur Chini vs. Shree Renuka

Balrampur Chini faces declining sales and profits but is focusing on eco-friendly bioplastics and value-added products for growth. Shree Renuka, with steady sales and improved profits, is expanding renewable energy projects like power from sugarcane waste. Both target India's ethanol and green energy market with distinct approaches—Balrampur via innovation and Shree Renuka via efficiency.

## Centre Revises Ethanol Procurement Rules

The government has prioritized cooperative sugar mills in OMC ethanol tenders, potentially reducing procurement from leading producers. A smaller-than-expected price hike of ₹1-1.50/litre, against the ₹2-2.50/litre demanded by mills, is also being considered. These changes may impact mills' margins amidst the Ethanol Blended Petrol (EBP) program aiming for 20% ethanol blending by 2030.

## INTERNATIONAL NEWS

### Ethanol Update: Brazil

Brazil's ethanol production fell in late November, with 1.19 billion liters produced, but sales rose 3.24% for the month to 2.93 billion liters. Corn ethanol production surged 43%. Since April, total ethanol output reached 31.17 billion liters, up 4.31%, with sales up 13.13%.

### 2.03 Billion RINs Generated in November under RFS

The U.S. EPA reported 2.03 billion RINs generated in November, up from 2.01 billion last year. Total RINs for 2024 reached 22.9 billion, with key contributions from D3 cellulosic biofuel, D4 biomass-based diesel, D5 advanced biofuel, and D6 renewable fuel categories.

India's biofuels market is growing rapidly, driven by the government's push for 20% ethanol blending by 2025, investments in dual-feedstock ethanol plants, and expanding biodiesel projects. Collaborations and innovations in waste-to-energy and carbon capture support energy security, rural development, and net-zero emissions goals.

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