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Government to launch scheme for assured procurement of maize for ethanol production

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NEW DELHI: As estimated sugar production in the two major cane-producing states, Maharashtra and Karnataka, is likely to fall by 20-40%, which may also impact ethanol production, the government will now launch a new scheme for assured procurement of maize only for producing ethanol for blending with petrol.

The sugar production in Maharashtra during the current season is likely to be around 87 lakh tonnes compared to 105 lakh tonnes last year and in Karnataka, it's likely to fall to 37 lakh tonnes against 60 lakh tonnes last year. Uttar Pradesh, however, is likely to see an increase in the sweetener production around 120 lakh tonnes, up from 105 last year. The countries' sugar production

would be around 330 lakh tonnes against 373 lakh tonnes during the last season.

In such a situation, the government is left with no other option than pushing for more grain-based ethanol production, particularly from maize. A committee of ministers has given in-principle approval for better procurement of maize for ethanol manufacturing.

Union food secretary has said that two government agri-cooperatives — NAFED and NCCF — will now procure maize from farmers at MSP after registering them and will supply them to grain-based distilleries at that price. The incidentals, including additional cost involved in procurement and transportation, will be borne by the food ministry. This is is meant to ensure that farmers get MSP, which will ultimately, help promote maize cultivation, officials argued.

Chopra said they are looking at an eco-system in the next two-three years when the grain-based distilleries would also do the hand holding for maize farmers as it's in the case of sugarcane. "We are coming into that phase of the ethanol blending programme where we will be focusing much more on maize. The simple reason is we do not have much area under cultivation of sugarcane," said Union petroleum secretary Pankaj Jain.

While maize requires only three months to mature, sugarcane takes 10-12 months. Last year, maize production was 352 lakh tonnes and around 30 crore litres of ethanol was produced from this crop in September and October. Currently 60% of the maize produced is used for poultry feed; another 20% for industrial use and the remaining 10% each for human consumption and exports.

"Once farmers have an assurance of purchase of their crops at MSP, they will increase cultivation of maize. When we have higher production more can be used for ethanol production," an official said.