

With 100 distilleries, UP set to be top ethanol producer

To Achieve 14% Ethanol Blending By End Of Current Fiscal

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Lucknow: UP is set to hit the benchmark of having around 100 operational distilleries in the ongoing 2023-24 fiscal – a development that could further reinforce the state's status as the biggest ethanol producer in the country.

Additional chief secretary, sugarcane and excise, Sanjay Bhoosreddy told TOI that as many as 85 distilleries are currently in operational stage in UP. "Another 15 distilleries are scheduled to get operational in the next few months," he said. The 100 distilleries will be both sugarcane-based and 'dual mode' (based on cane as well as grain).

Moreover, the state government has also set a target of increasing the number of

distilleries in the state to 140 within a span of next three years. The increase would primarily be driven by investments which the state received during the global investor summit which was organized earlier this year, Bhoosreddy said.

The state government, at the same time, planned to promote grain-based distilleries given the large stocks of paddy and wheat. Sources, however, said that the government has also factored in the chances of a potential drought-like situation resulting in low availability of grains for distilleries. If this happens then the distilleries set up by private players would end up as 'dead investment', a senior official said. He said that the state government has set up a high-

powered steering committee to look into the possibility.

Records show that ethanol production in UP touched 134 crore litre in 2022-23 which was highest in the country. This is expected to go up to 160 crore litres in 2023-24.

As a matter of fact, the state government has been pushing for the establishment of additional fuel storage facilities in two zones – one between Gorakhpur-Basti-Azamgarh stretch and the other at the Meerut-Moradabad belt. The projects are proposed to be executed in coordination with the ministry of railways and petroleum. Bhoosreddy said that the state government was aggressively pursuing the proposal for establishment of the two facilities.

UP, as a matter of fact, was

ensuring around 12% ethanol blending. Industry sources said that the Oil Marketing Companies (OMCs) like HPCL were blending 11.63%.

Records show that between December 2022 and October 23 contracts for 520 crore litres have been executed. Of this, around 240 crore litres have been lifted by the OMC till May 2023.

The ACS affirmed that UP was well poised to have a capacity to enable 14% ethanol blending by the end of current fiscal. This, he said, was well ahead of other states which have an average capacity of around 8% ethanol blending.

The Centre, as a matter of fact, has set an ambitious target of 20% blending by 2025-26 and 30% by 2030.