

## **SUGAR COMPANIES LOOK TO RETAIL GREEN FUEL FROM OWN PREMISES**

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NEW DELHI; JANUARY 03: TO boost ethanol consumption and build an additional revenue stream, sugar factories are working on a plan to convert their manufacturing units into "green energy hubs" that will retail fuel doped with ethanol, produce and sell bio-CNG to meet local needs, and act as centres of multi-point access to energy for local consumers, a significant section of whom are likely to be farmers.

A basic blueprint of the proposal has been discussed among top industry officials and associations such as the Indian Sugar Mills Association (ISMA) and the National Federation of Cooperative Sugar Factories (NFCFSF), officials said.

The ISMA is even looking at appointing a professional agency to conduct a feasibility and cost-benefit analysis of the proposal before approaching the Central Government for financial assistance and other clearances.

The plan, according to ISMA President Aditya Jhunjhunwala, is to enable the 500-odd sugar mills across the country, located deep in rural areas, to set up fuel-retailing pumps that can dispense petrol mixed with ethanol, produce and sell bio-CNG for domestic consumers, and even provide fuel for electric vehicle-charging stations.

The pumps can dispense petrol blended with even more than 20 per cent ethanol if such flex-fuel vehicles are readily available in rural areas.

Talks have even started with leading makers of irrigation pumps to manufacture ethanol-based pump sets, which can source fuel from the plants itself.

"Each year we have thousands of tractors coming to our plants to deliver sugarcane. If they could get ethanol-blended petrol, that could be a good revenue source for companies and even save them the cost of transporting ethanol to depots operated by oil-marketing companies (OMCs)," Jhunjhunwala told Business Standard.

He said retailing and other services could be of great help to farmers within the catchment area of each sugar factory, which is 30-40 km.

**Prakash Naiknavare, Director General of the NFCSF, said blending now done at OMCs' depots could happen at sugar factories, which would provide an additional revenue stream for the companies.**

**"We in the NFCSF are fully in support of the idea, which has also been backed by Road Transport Minister Nitin Gadkari in several interactions with the industry," Naiknavare said.**

Jhunjhunwala said if each of the sugar factories set up at least five fuel-retailing pumps on their premises it would mean 2,500 petrol pumps that could dispense petrol which has higher than a 20 per cent blend with ethanol.

"In Brazil there are vehicles that can run on 100 per cent ethanol and we have started talks with vehicle makers on developing tractors and other items that can do so," Jhunjhunwala said.

He said when demand rose, the sugar sector could look at producing 10 billion litres of ethanol by diverting to million tonnes of sugar from its annual production.

#### **Oct-Dec sugar output up 3.7% at 12 mt: ISMA**

The country's sugar production rose 3.69 per cent to 12.07 million tonnes (mt) in the October-December quarter of the ongoing marketing year, according to the industry body Indian Sugar Mills Association (ISMA).

Sugar production stood at 11.64 mt in the same period of the previous marketing year. Sugar marketing year runs from October to September. According to the ISMA, about 509 mills were operating as against 500 mills in the said period.

Sugar production in Uttar Pradesh reached the year-ago level of 3.09 mt, while in Maharashtra it rose to 4.68 mt during October-December of the 2022-23 marketing year, as against 4.58 mt in the year-ago period, it said, ISMA has projected production to be 36.5 mt in the 2022-23 marketing year, an increase of 2 per cent compared to 35.8 mt in the 2021-22 marketing year.

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