

## **NFCSF HAILS GOVT DECISION TO ALLOW USE OF 7 LAKH TONNE OF EXCESS B-HEAVY MOLASSES FOR ETHANOL MAKING**

NEW DELHI, NATIONAL Federation of Cooperative Sugar Factories (NFCSF) on Thursday welcomed the Government's decision to allow 7 lakh tonne of excess B-heavy molasses as feedstock for ethanol production, saying it will not only help produce more ethanol but also improve finances of sugar mills. Sugar mills were holding excess stock of B-heavy molasses -- a byproduct of the sweetener -- produced before the ban on its use on December 7 last year.

A week later, the government reversed the ban and allowed the use of cane juice and B-heavy molasses, but within the overall cap of diversion of 17 lakh tonnes of sugar for ethanol production for the 2023-24 supply year (November-October).

However, on Wednesday, the food ministry granted permission to use about 7 lakh tonnes of remaining B-Heavy molasses for producing ethanol.

"This comforting decision will release around Rs 700 crore stuck in the remaining stocks of B-heavy molasses in the mills," NFCSF President Harshvardhan Patil said in a statement.

On the advice of the food ministry, the petroleum ministry has started the process of allocating additional ethanol to individual distilleries on the basis of physical stock of B-heavy molasses held by them as on March 31, 2024, he said.

Of 7 lakh tonnes, about 3.25 lakh tonnes of surplus sugar will be diverted to ethanol production, which will produce 38 crore litres of ethanol at a cost of Rs 2,300 crore, he said, adding that the decision will help in reducing the sugar stocks and consequently improve the selling rate of local sugar.

Patil also mentioned that from the sale of 38 crore litres of ethanol produced, about Rs 2,300 crore will be available to factories with distillation projects across the country so that farmers can be paid timely and fully.

Sugar production is estimated to be at 315-320 lakh tonnes in the ongoing 2023-24 season, excluding diversion of 17 lakh tonnes.

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