



## ETHANOL PUSH TURNS INDIA INTO NET CORN IMPORTER : ECONOMY

**NEWS :** *Ethanol push turns India into corn importer, shaking up global market*

### WHAT'S IN THE NEWS ?

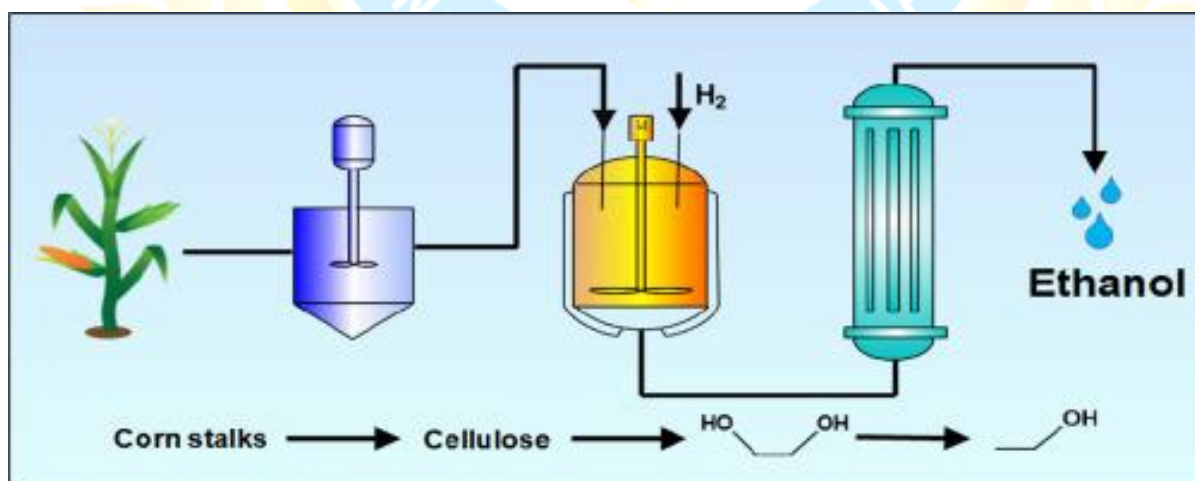
India usually exports 2 million to 4 million metric tons of corn, but in 2024, exports are expected to drop to 450,000 tons

### India Becomes a Net Corn Importer (2024)

- **Corn Imports:** India will import a record 1 million tons of corn in 2024, mainly from Myanmar and Ukraine.
- **Domestic Corn Usage:** Ethanol distilleries now use 6-7 million tons of domestic corn annually, previously used by poultry and starch industries.
- **Ethanol Policy Shift:** India increased the procurement price of ethanol made from corn to reduce sugarcane-based ethanol use and support sugar supply.
- **Corn Exports Drop:** Exports are expected to fall to 450,000 tons, down from 2-4 million metric tons.
- **Impact on Poultry Industry:** Rising domestic corn prices have increased feed costs, leading to industry losses.

### Ethanol Blending Program (EBP)

- **Objective:** Promotes ethanol as a renewable, eco-friendly fuel blended with petrol to reduce dependency on imported fuels.
- **Blending Target:** India aims for 20% ethanol blending in gasoline by 2025-26 (currently at 13%).



### Impact on Corn Prices and Imports

- **Global Corn Prices:** Increased Indian demand is expected to raise global corn prices.



- **Imports from Myanmar:** Duty-free imports due to Myanmar's least developed country status.
- **Corn Imports Surge:** In the first half of 2024, imports reached 531,703 tons, up from 4,981 tons in 2023.

## Challenges for Poultry Farmers

- **High Feed Costs:** Corn prices above global benchmarks have forced farmers to substitute corn with rice and wheat stalk waste.
- **Production Cuts:** Small poultry farmers are reducing production due to rising feed costs.

## National Policy on Biofuels (2018)

- **Objective:** Promotes biofuels to reduce fossil fuel dependence and environmental impact.
- **Blending Targets:**
  - **Ethanol:** 20% blending with petrol by 2025-26.
  - **Biodiesel:** 5% blending with diesel by 2030.
- **Feedstock for Biofuels:**
  - **1G Biofuels:** From sugarcane, corn.
  - **2G Biofuels:** From agricultural residues, waste.
  - **3G Biofuels:** From algae.
  - **Raw Materials for Biofuels:** Include sugarcane juice, damaged food grains, non-edible oils, and agricultural waste.

Source : [https://www.business-standard.com/economy/news/ethanol-push-turns-india-into-corn-importer-shaking-up-global-mkt-124090400327\\_1.html](https://www.business-standard.com/economy/news/ethanol-push-turns-india-into-corn-importer-shaking-up-global-mkt-124090400327_1.html)