UPSC & STATE PCS CURRENT AFFAIRS · UJIYARI.COM

EDITORIAL ANALYSIS

Ethanol and the Political Power of Crops

HINDUSTAN TIMES

7 August 2026 · ECONOMY · ENVIRONMENT · GS3

CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

linkedin.com/in/epicbharat

Ethanol and the Political Power of Crops

Hindustan Times 7 August 2026 GS3

INTERVIEW ANGLE

"If a biofuel mandate can be satisfied by more than one crop, is the choice of which crop supplies it an energy decision, an agricultural decision, or something the government should not be making at all?"

Every fact web-verified against primary sources

THE LIFT LINE

A blending target names a percentage. It does not name a crop. Someone still has to choose, and the choice is never neutral.

WHY THIS EDITORIAL MATTERS FOR YOUR EXAM

Most answers on the Ethanol Blended Petrol programme stop at the blending percentage and the crude-import savings, treating the policy as settled once the energy-security case is made. This editorial supplies the harder analytical layer UPSC examiners reward: a biofuel mandate that can be met by more than one crop is, in that respect, also an industrial policy, and the choice of preferred feedstock redistributes political and economic power among crop-growing regions in ways a purely energy-security framing never surfaces.

GS Paper 3: Infrastructure: Energy; cropping patterns in various parts of the country; issues related to direct and indirect farm subsidies; food security.

CONCEPT	MEANING	WHY IT IS TESTABLE
Ethanol Blended Petrol (EBP) programme	India"s programme mandating a target percentage of ethanol blended into petrol	Frequently tested with its E10/E20 milestones
E20	Petrol blended with 20% ethanol, reached nationally in 2025	Named target with a concrete achievement date, high Prelims yield
National Policy on Biofuels, 2018 (amended 2022)	The Cabinet-approved framework advancing the E20 target from 2030 to ESY 2025-26 and permitting dual feedstock	The legal-policy anchor for every ethanol question
Dual-feedstock policy	Ethanol may be sourced from sugar-based inputs (cane juice, molasses) or grain-based inputs (maize, surplus rice)	The mechanism through which feedstock, and therefore crop politics, shifts
Ethanol Supply Year (ESY)	India"s ethanol-programme accounting year, distinct from the calendar year	Commonly confused with calendar-year targets in MCQs

BACKGROUND AND CONTEXT

The **Ethanol Blended Petrol (EBP) programme** began as a modest blending exercise and became, through successive policy revisions, one of India"s most consequential pieces of agricultural policy. The **National Policy on Biofuels, 2018**, amended by the Union Cabinet on **18 May 2022**, advanced the **20% ethanol-blending (E20) target** from its original 2030 deadline to **Ethanol Supply Year (ESY) 2025-26**. India reached the 20% blend nationally in **2025**, five years ahead of schedule, and E20 fuel has been sold nationwide since **April 2026**.

The 2022 amendment also widened permitted feedstocks beyond sugarcane to include **grain-based sources**, principally **maize and surplus or damaged rice** from Food Corporation of India stocks, alongside the traditional **sugar-based sources**: cane juice, sugar syrup, and B-heavy and C-heavy molasses. This dual-feedstock structure is the mechanism the editorial"s argument turns on: because more than one crop can satisfy the same national mandate, the government"s pricing and allocation decisions determine which crop actually does.

THE ANALYSIS

1. The feedstock balance has visibly flipped toward grain. OMC allocation data for ESY 2025-26 shows maize at **45.68%** of supply, the single largest source, with FCI rice adding **22.25%** and damaged foodgrains **4.54%**, a combined grain share above **72%**. Sugarcane juice contributes **15.82%**, and B-heavy and C-heavy molasses together under **12%**, a combined sugar share under **28%**. Maize alone now exceeds every sugar-derived source combined.

2. Pricing, not just permission, drives the shift. The ex-mill price of sugarcane-based ethanol is fixed directly by the Government of India, while grain-based ethanol pricing is effectively set through public-sector OMC procurement, and administered prices for maize-based ethanol have risen faster than sugar-based or rice-based prices in recent supply years. A mandate that can be met by either crop will tilt toward the one it pays more for.

3. The sugar-diversion cap has been eased, yet sugar"s share still fell. Government restrictions on how much sugarcane juice and molasses could be diverted to ethanol were tightened in some recent supply years to protect sugar stock and price, then removed entirely for sugar-based sources from ESY 2025-26. That the sugar share still trails grain even after the restriction was lifted shows the shift toward maize is now structural, driven by pricing and capacity, not merely an artefact of a regulatory ceiling on sugar.

4. The trade-off shows up first in the feed industry. Poultry and cattle feed absorb roughly **60 to 70%** of India"s maize output. Ethanol and starch demand competing for the same grain has tightened supply and raised costs for feed producers, a fuel-versus-feed tension the blending-percentage headline does not capture.

5. Land use is shifting under the same pressure. Maize acreage expansion has come partly at the expense of groundnut, soyabean, sunflower, jowar and bajra, several of which are crops India already imports in volume, most notably edible oils from groundnut and soyabean. A mandate framed as energy self-reliance is, in this respect, trading one import dependence for another.

6. The counter-argument on energy security is not a formality, it is the strongest part of the government"s case. Full E20 implementation is estimated to cut India"s annual crude-import bill by close to **Rs 38,000 crore**, and cumulative forex savings from ethanol blending between ESY 2014-15 and ESY 2025-26 have crossed roughly **Rs 1.97 lakh crore**, substituting an estimated **316 lakh tonnes** of crude oil. That case stands regardless of which crop supplies the ethanol.

DATA AND INSTITUTIONS VAULT

PRELIMS-GRADE FACTS:

National Policy on Biofuels, 2018, amended by Cabinet on 18 May 2022: advanced the E20 target from 2030 to ESY 2025-26

India reached 20% ethanol blending nationally in 2025; nationwide E20 sales from April 2026 (minimum RON 95)

ESY 2025-26 feedstock allocation: maize 45.68%, FCI rice 22.25%, sugarcane juice 15.82%, B-heavy molasses 10.54%, damaged foodgrains 4.54%, C-heavy molasses 1.16%

Ex-mill pricing: sugar-based ethanol price fixed by Government of India; grain-based ethanol price set through OMC procurement

Estimated annual crude-import savings from full E20: ~Rs 38,000 crore (Ministry of Petroleum and Natural Gas)

Cumulative forex savings, ESY 2014-15 to ESY 2025-26 (up to June 2026): ~Rs 1.97 lakh crore; crude oil substituted: ~316 lakh tonnes

Poultry and cattle feed industries consume 60 to 70% of India"s maize output

Author: Ramanan Laxminarayan, founder-president of the One Health Trust, writes the *Vital Signs* column for Hindustan Times

WATCH THE TRAP: DO NOT WRITE THAT THE ETHANOL PROGRAMME IS "SUGARCANE-BASED." AS OF ESY 2025-26, GRAIN, PRINCIPALLY MAIZE, SUPPLIES THE LARGER SHARE; SUGARCANE"S ROLE HAS SHRUNK EVEN AFTER DIVERSION RESTRICTIONS ON IT WERE REMOVED, NOT BECAUSE OF THEM.

THE DEBATE

Argument FOR reading the mandate as crop politics. A target that can be satisfied by more than one crop, met through government-controlled pricing and allocation decisions, is by definition picking a winner among crop lobbies. The visible shift from sugarcane to maize, alongside differential ex-mill pricing that favours grain, is not an accident of the market; it is a policy outcome the government chose through the pricing mechanisms it controls.

Argument AGAINST treating this as the primary lens. The scale of the energy-security gain, close to Rs 38,000 crore in potential annual savings and nearly Rs 1.97 lakh crore banked already, is large enough to justify the programme on energy grounds alone. Reading a national energy-security programme mainly through the lens of which crop lobby benefits risks understating the programme"s core achievement: reduced dependence on imported crude, achieved five years ahead of schedule.

Balanced verdict. Both readings are correct at once, and neither should be argued as though the other did not exist. The energy-security case justifies the mandate; the feedstock question determines who inside India"s farm economy bears its costs and reaps its benefits, and treating that question as a technical afterthought, rather than a policy choice made transparently, is the actual gap the editorial identifies.

HOW TO THINK ABOUT THIS

The transferable pattern: **when a policy target can be satisfied by more than one input, the choice of input is itself a policy decision, and it should be made and defended as visibly as the target itself.**

A mandate expressed as a percentage, 20% blending, a renewable-energy share, a local-content requirement, looks neutral on paper because it does not name a winner. But if more than one supplier or input can meet it, the pricing, procurement and allocation rules the state uses to decide between them function as an implicit industrial policy, redistributing income, land use and political weight among the eligible suppliers, whether or not the state frames it that way.

This same structure recurs in renewable-energy procurement, where a state"s choice between solar and wind capacity additions shapes which manufacturing base benefits; in local-content mandates for defence or electronics procurement, where the definition of “local” determines which domestic industry captures the value; and in public procurement more broadly, where a quantity target met through supplier discretion quietly becomes a policy on which suppliers grow.

DIAGRAM-IN-WORDS

```
THE MANDATE AND THE CHOICE IT HIDES

E20 TARGET (20% ethanol blending, reached 2025)
        |
        ├── can be met by SUGAR-BASED feedstock
        |     (cane juice, syrup, B/C-heavy molasses)
        |     price: FIXED by Government of India
        |     ESY 2025-26 share: ~28%
        |     diversion cap: eased, then removed (ESY 2025-26)
        |
        └── can be met by GRAIN-BASED feedstock
              (maize, surplus/damaged FCI rice)
              price: SET via OMC procurement (rising faster)
              ESY 2025-26 share: ~72% (maize alone 45.68%)

              ↓ consequences beyond the fuel pump
              - poultry/cattle feed (60-70% maize-dependent) squeezed
              - land shifts from groundnut, soyabean, sunflower,
                jowar, bajra toward maize
              - India trades one import dependence (crude)
                for pressure on another (edible oils)

ENERGY CASE (real, large: ~Rs 38,000 cr/yr potential savings)
        +
FEEDSTOCK CHOICE (a policy lever, not a market accident)
```

```
        =
BOTH must be argued together, neither substitutes for the other
```

TAKEAWAY BOX

The blending target was set once. The crop that fills it is chosen every supply year, and that choice is where the real policy lives.

NPB 2018, amended **18 May 2022***; E20 reached* **2025***, nationwide from* **April 2026***; ESY 2025-26 shares* **maize 45.68%**, **FCI rice 22.25%**, **sugarcane juice 15.82%***; annual crude-import savings* **~Rs 38,000 crore***; cumulative forex savings* **~Rs 1.97 lakh crore** *(ESY 2014-15 to ESY 2025-26).*

when a state-mandated fuel programme raises feed costs for poultry farmers and displaces oilseed acreage that reduces edible-oil import dependence, who should be consulted before the feedstock balance shifts, and does an energy ministry have the mandate to weigh those farm-economy costs at all?

UPSC has repeatedly tested biofuel policy, cropping-pattern shifts and farm subsidy design under GS3; this editorial updates the theme with the current ESY 2025-26 feedstock allocation and the differential-pricing mechanism driving it.

"A biofuel-blending mandate that can be satisfied by more than one crop is, in effect, an industrial policy choosing among crop lobbies." Examine with reference to India"s Ethanol Blended Petrol programme.

Sources: Hindustan Times, PIB, Ministry of Petroleum and Natural Gas

KEY ARGUMENTS AT A GLANCE

Hindustan Times columnist Ramanan Laxminarayan argues that India's ethanol-blending mandate has never been a neutral energy policy; because the government decides which crops may supply the mandate and at what price, the mandate functions as a de facto industrial policy for whichever crop is designated the preferred feedstock, and the designation has visibly shifted power, land use and farmer income away from sugarcane and toward maize and rice growers.

✓ SUPPORTING

- The National Policy on Biofuels, 2018, amended by the Cabinet on 18 May 2022, advanced India's 20% ethanol-blending (E20) target from 2030 to Ethanol Supply Year (ESY) 2025-26, and India reached the 20% blend nationally in 2025, five years ahead of the original schedule, with E20 fuel meeting a minimum Research Octane Number of 95 sold nationwide from April 2026.
- The 2022 amendment formalised a dual-feedstock regime: sugar-based inputs (sugarcane juice, sugar syrup, B-heavy and C-heavy molasses) alongside grain-based inputs (maize and surplus or damaged rice from Food Corporation of India stocks). For ESY 2025-26, Oil Marketing Company (OMC) allocation data shows maize holding the largest single share at 45.68%, FCI rice at 22.25% and damaged foodgrains at 4.54%, a combined grain share above 72%, against sugarcane juice at 15.82% and B-heavy and C-heavy molasses together under 12%, a combined sugar share under 28%.
  Maize alone now outweighs all sugar-derived sources combined.
- The government does not merely permit this shift, it prices it differently: the ex-mill price of sugarcane-based ethanol is fixed by the Government of India, while the price of grain-based ethanol is effectively set through public-sector OMC procurement, and grain-based ethanol prices, particularly for maize, have risen faster than sugar-based prices in recent years, an incentive structure that reinforces the crop shift already visible in the allocation data.
- The shift carries a real trade-off the mandate does not price in: poultry and cattle feed industries consume roughly 60 to 70% of India's maize, so ethanol demand competing for the same grain has tightened feed supply and pushed up costs, and maize acreage expansion has come partly at the expense of groundnut, soyabean, sunflower, jowar and bajra, crops India is already import-dependent on for edible oil.

⚠ COUNTER

None of this diminishes the genuine, measurable energy-security case for the programme. The Ministry of Petroleum and Natural Gas estimates that full E20 implementation can cut India's

annual crude-import bill by close to Rs 38,000 crore, and cumulative foreign-exchange savings from ethanol blending between ESY 2014-15 and ESY 2025-26 have crossed roughly Rs 1.97 lakh crore, substituting an estimated 316 lakh tonnes of crude oil.

A programme delivering savings and import substitution of that scale is not a fig leaf for crop politics; the energy case would justify the mandate even if the feedstock question were settled by a coin toss.

→ WAY FORWARD

Treat feedstock choice as a policy variable the government should make transparently rather than let emerge from ad hoc pricing and shifting sugar-diversion rules. Publish a standing, multi-year feedstock roadmap that states upfront how much of the mandate is expected from sugar versus grain and why, so farmers and feed industries can plan instead of reacting to year-to-year allocation swings.

Price grain-based ethanol on a formula tied to feed-industry demand, not only fuel-industry willingness to pay, to limit the fuel-versus-feed squeeze on poultry and dairy. And track land-use displacement of oilseeds and pulses by maize explicitly in the Economic Survey, since displacing crops India already imports to grow one it now exports as fuel is a trade-off worth stating in numbers, not absorbing quietly into the Rs 38,000 crore savings headline.

✍ MAINS ANSWER FRAMEWORK

QUESTION

A biofuel-blending mandate is as much an instrument of agricultural and industrial policy as it is of energy policy. Discuss with reference to India's Ethanol Blended Petrol programme and its shifting feedstock base. (250 words)

INTRODUCTION

India's Ethanol Blended Petrol (EBP) programme is conventionally read as an energy-security measure, and on that count it has delivered: the country reached its 20% ethanol-blending (E20) target in 2025, five years ahead of the original 2030 deadline set under the National Policy on Biofuels, 2018, later advanced by the 2022 Cabinet amendment. But the programme is also, unavoidably, an industrial policy for agriculture, because the government decides which crops may supply the mandate and at what price, and that decision has consequences no purely energy framing captures.

BODY

The dual-feedstock policy permits both sugar-based inputs (cane juice, syrup, molasses) and grain-based inputs (maize, surplus rice) to supply the mandate, and the balance between them is not fixed by the market alone. The government has, over successive ethanol supply years, both tightened and eased the quantity of sugarcane juice and molasses permitted for ethanol diversion to protect domestic sugar stock and price, most recently removing quantitative restrictions on sugar-based ethanol entirely from ESY 2025-26.

Yet even with that restriction lifted, maize now holds the single largest feedstock share, at close to 46% of OMC allocation, ahead of sugarcane juice at under 16%, because grain-based ethanol pricing, decided through OMC procurement rather than a government-fixed rate, has risen faster than sugar-based pricing. What looks like a technical allocation number is, in effect, a transfer of political and economic weight from sugarcane-growing regions to maize and rice belts.

This transfer is not costless: poultry and cattle feed, which absorb 60 to 70% of India's maize, now compete with fuel demand for the same grain, and maize acreage has expanded partly by displacing groundnut, soyabean, sunflower, jowar and bajra, crops India already imports in the case of edible oils. The mandate, in other words, reshapes cropping patterns and input costs across the farm economy well beyond the fuel pump.

CONCLUSION

The honest reading holds two facts together without letting either cancel the other. The energy-security case for the EBP programme is real and large, close to Rs 38,000 crore in potential annual crude-import savings and nearly Rs 1.97 lakh crore in cumulative forex savings to date, and it would justify the mandate on its own terms.

But feedstock choice within that mandate is a policy lever with farm-economy, feed-industry and land-use consequences that deserve the same transparency and forward planning as the blending target itself, not treatment as a residual outcome of pricing decisions made year to year.

RELATED DAILY ARTICLES

13 Aug India's Retail Inflation Rises to 4.45% in July 2026, a...

13 Aug Tamil Nadu's Vetri Investors' Conclave 2026 Signs Rs...

13 Aug India Diversifies Urea Imports to Egypt, Algeria,...

12 Aug Current Affairs Today, August 12, 2026

CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

linkedin.com/in/epicbharat

📖 Read Full Article on Ujiyari →

https://ujiyari.com/editorials/2026/08/ht-ethanol-political-economy-crops-2026/