



# Biodiesel Association of India

B 203 crystal plaza, link road, Andheri (w), Mumbai 400053

Ph. 91 22 26743969/40168190

**Sandeep Chaturvedi**  
President

I am delighted to be standing here and to extend a very warm and hearty welcome to each one of the delegates from far and wide – respected invitees, hon'ble guests, participants and members of BAI to our 2<sup>nd</sup> Global Convention on Climate Change and Biodiesel.

Global warming and climate change are today's buzzwords. Climate change is a creeping phenomenon; it does not happen overnight; let me add, it takes time to show its true colours. Global warming is the result of not only omissions and commissions of mankind, but also emissions of greenhouse gases through human activity – industrial processes, burning of fossil fuels, even agriculture.

A rise in the earth's temperature leads to change of climatic conditions. Melting of glaciers; expansion of deserts; weather uncertainties; more frequent occurrence of droughts and floods; too much rainfall or too little; varying crop production cycles and fluctuating crop yields; increased attacks of pests and diseases – these possibilities are very real.

In our own country, the submergence of low-lying areas and coastal lands as also melting of Himalayan glaciers is cause of great concern. The effects are now visible - submergence of several low-lying areas in the Sundarbans, displacing thousands of poor people. The temperature rise on the Tibetan Plateau, resulting in melting of glaciers, will reduce the flow rates of our major rivers like Ganga, Yamuna, Bhramhaputra and several regional rivers. Millions of farmers depend on these perennial rivers for irrigation.



# **Biodiesel Association of India**

B 203 crystal plaza, link road, Andheri (w), Mumbai 400053

Ph. 91 22 26743969/40168190

**Sandeep Chaturvedi**  
President

The threat is real and time is actually ticking away. If no action is taken, uncontrolled human activity globally can accelerate the process of devastation. A mere 2 Degrees Celsius rise in temperature will cause severe heat stress in crops in some regions and submergence of parts of Mumbai and Chennai and many other coastal cities in floods.

Clean Development Mechanism (CDM) was an important feature of the negotiations leading up to Kyoto Protocol. The developed nations (called Annex-1 Countries) invest in projects that reduce emissions in developing countries as an alternative to more expensive emission reductions in their own countries.

Historically, we in India follow sustainable pattern of consumption. Culturally, we live in harmony with nature, with maximum recycling and reuse of goods for various considerations including economic. The per capita carbon dioxide emission is only one-tenth as compared with developed nations.

The Government of India and the Industry are demonstrating significant interest and enthusiasm for participation in the CDM. It is an acknowledged fact that climate change is a matter of long-term concern and it demands an innovation-led, technology driven approach towards global warming and greenhouse gas emission reduction.

This needs modification and upgrading of the existing technologies and building new processing capacities with efficient utilization of our shared global resources like air, land, water and sunshine.



# **Biodiesel Association of India**

B 203 crystal plaza, link road, Andheri (w), Mumbai 400053

Ph. 91 22 26743969/40168190

**Sandeep Chaturvedi**  
President

More than 600 million Indians, a population equal to combined population of USA and EU, have insufficient access to electricity or modern fuels and clean drinking water. Poverty alleviation, sustainable rural development, energy security and food security through higher production to feed over one billion people should be the prime policy of the government. Each and every citizen should participate in this national mission if we are to become a Superpower by 2020.

In regions of high unemployment, where water is a scarce resource and where little arable land is available, Jatropha is, without doubt, a promising alternative. As a feedstock, it not only helps produce valuable biodiesel, but also generates a wide range of valuable side-benefits that should be taken into account in cost-benefit analysis. Rural development, employment generation, utilization of waste land, production of renewable source of bioenergy, contribution to energy security and fillip to agriculture and industry are some of the major benefits that cannot be overlooked.

It is for this very strong and justified reason that we insist policymakers should provide initial support by having a long-term, transparent policy for wasteland utilization, innovative credit instruments and tax incentives for bridging the sustainability gaps.

The jatropha story will succeed only if the entire plant is utilized. The oil content is 30-35%. There is case for improving the oil content. Efforts are needed to improve the oil content and bring at par with other high oil-content oilseeds.

BAI is keen to encourage, motivate and support best agronomic practices for sustainable cultivation of feedstock. With this



# Biodiesel Association of India

B 203 crystal plaza, link road, Andheri (w), Mumbai 400053

Ph. 91 22 26743969/40168190

**Sandeep Chaturvedi**  
President

objective, we have thought it appropriate to identify, recognize and felicitate agronomists working on energy crops. I am pleased to announce, this idea has had a great start. To begin with, we have decided to institute an annual award of Rs.100,000 in cash in the Honour of Shri JRD Tata, Bharat Ratna, sponsored by Tata Chemicals Ltd. You will soon hear about progress in this matter.

There is another award. In order to promote innovative cultivation of energy crops on waste lands and efficient resource utilization, we have instituted an annual award of Rs.100,000 in cash in Honour of Shri Rajiv Gandhiji Bharat Ratna sponsored by Nova Biofuels Ltd. We shall revert on this too soon.

We believe these awards, instituted for the first time in our country, would go a long way in providing sufficient motivation and encouragement to agronomists and growers from across the country to showcase their pioneering work. These awards would surely motivate large participation and contribute to transformation of feedstock production practices.

Biogas can be easily produced from agricultural waste-streams by a process of natural fermentation to produce methane gas. After methane extraction, the remains are suitable for use as fertilizer. The process can also be done by using advanced bio-mechanical systems in anaerobic digesters. The gas thus obtained can be used as such locally or could be refined into purer methane for further distribution through a local gas grid.

Algae are another promising source of second generation Biodiesel, since they can grow much faster than terrestrial crops and can also grow on marginal lands such as deserts where the ground water is saline. But currently most research into efficient



# Biodiesel Association of India

B 203 crystal plaza, link road, Andheri (w), Mumbai 400053

Ph. 91 22 26743969/40168190

**Sandeep Chaturvedi**  
President

algal-oil production is being done in the private sector. But if outcomes of small-scale production experiments bear out, then using algae to produce biodiesel may be one of the major viable methods by which to produce enough automotive fuel to replace current conventional diesel usage.

I would request, pending the announcement of a biofuels policy, the Honorable Rural Development Minister may consider extending the NREGA scheme to cover projects for Jatropha plantation with larger Public Private Partnership. This will surely provide much-needed initial fillip to Jatropha cultivation. The related benefits such as employment and income generation as also rural transformation are of course well known.

I further request that Honorable Minister for New and Renewable Energy may consider announcing Biodiesel as a renewable source of energy and all fiscal and other benefits currently available to products in this category would be available to biodiesel.

Let me reiterate our long pending demand:

1. The Government should give grants/subsidy (like in USA and EU) or spend on R&D (like in Japan) on second generation Biofuels like algae for biodiesel. Also, it should take a cue from countries like Germany to mandate blending. In the event, oil marketing companies have to quickly establish infrastructure for distribution and retailing of biodiesel. The automobile manufacturers should be encouraged to give warranty for higher blends of biodiesel (more than the current 5%). Subsidized crop loans to farmers for undertaking fuel crop cultivation would be in order.



# Biodiesel Association of India

B 203 crystal plaza, link road, Andheri (w), Mumbai 400053

Ph. 91 22 26743969/40168190

Sandeep Chaturvedi  
President

Biodiesel should be declared renewable source of energy and all benefits available may be extended by the nodal ministry.

2. We have set a wider goal of achieving Energy security, Rural employment and Greenhouse gas reduction. High-yielding Jatropha research and its propagation should be at the core of our policy. We need to ensure that the benefit of subsidy flows to all stakeholders. This will encourage larger private participation, thereby assuring participation of vast numbers in rural areas. An initial grant of Rs.10 Crores for setting up a Centre of Excellence would boost the biodiesel sector and invest it with research capability. The broad objectives of the proposed Centre of Excellence are:
  - a. Gathering and disseminating information on best practices for sustainable jatropha production.
  - b. Exploring scientific methods of stimulating jatropha production and marketing
  - c. Assessing the requirements of appropriate quality and quantity of seeds; and making them available to growers;
  - d. Developing appropriate technologies for rural energy requirements.
3. The Nodal Ministry should set up a Multi-Stakeholder Committee immediately as also review and announce the Minimum Purchase Price of biodiesel. Minimum Purchase Price for PSU oil marketing companies should be exclusive of all applicable taxes on Biodiesel. A formula based price mechanism linked with import price of raw materials and exchange rate is suggested for the time being.



# Biodiesel Association of India

B 203 crystal plaza, link road, Andheri (w), Mumbai 400053

Ph. 91 22 26743969/40168190

Sandeep Chaturvedi  
President

4. Model lease agreement may be suggested for consideration of state governments to ensure proper utilization of land for the stated purpose. Government may identify wastelands and unproductive agriculture land including degraded forest land for cultivation of Jatropha. A national land utilization policy with 30 years lease agreements and local Panchayats sharing the revenue from lease rentals would be appropriate.
5. We want the National Jatropha Mission as declared by the Ministry of Rural Development expeditiously implemented. Consideration may be given to PPP. Each State may be given financial incentives for encouraging biofuels policy and allocation of resources.
6. Funds should be made available for field trials of automobiles and farm equipments using biodiesel in various states, for incubation of biodiesel in the country. This will help keep the small plants operate their facilities.
7. Under Central Sales Tax, Biodiesel should be categorized as 'Declared Goods' with uniform rate of tax across all states.
8. Mandate / encourage up to 10% blending of Biodiesel with exemption on VAT, Sales Tax on Biodiesel component used in the blend.
9. Income Tax exemption under section 80-IB be extended based on production of Biodiesel.
10. Biodiesel manufacturing plants are facing a very acute shortage of feed materials, jatropha plantation should now be supported with cash subsidy. These plantation may yield



# Biodiesel Association of India

B 203 crystal plaza, link road, Andheri (w), Mumbai 400053

Ph. 91 22 26743969/40168190

Sandeep Chaturvedi  
President

results in next 3-4 years, if started immediately. Most of the plants that are currently idle for want of jatropha feedstock should be allowed to consider alternative feed stock till the availability of jatropha on commercial scale.

11. Subsidies of 30% of the input cost should be made available to farmers. For corporate cultivation this subsidies to be extended without any upper limit. Banks should be advised to take up the project aggressively and positively. Corporate should be encouraged to have a tie up with farmers for buying back the product, extending technical help and assisting farmers to avail bank loan and subsidies. Corporate having tie up with farmers should arrange for carbon credit and part of it should be shared with farmers based on mutual agreement.

Hon'ble Ministers: On behalf of the country's nascent biodiesel industry which has several entrepreneurs eager to invest, I earnestly request your sympathetic and objective consideration of our recommendations. The developed economies are marching ahead in their quest for biofuels and their governments are eager supporters of renewable sources of energy. As one of world's fastest growing significant economies, India should not be seen lagging in its support for green, renewable fuel. We in the industry have every hope that the government will take a pragmatic view and come up with a comprehensive policy to boost biodiesel.

Jai hind.