

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:477  
ANSWERED ON:01.03.2007  
PRODUCTION OF BIO- DIESEL  
Thummar Shri Virjibhai

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) the production of bio-diesel during the last three years in the country;
- (b) whether bio-diesel is cost effective and pollution free;
- (c) the steps taken by the Government to increase the production of bio-diesel;
- (d) whether there is also an opposition against the production of bio-diesel;
- (e) if so, the details thereof; and
- (f) the reaction of the Government thereto?

**Answer**

Minister of State in the MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a):- The bio-diesel industry is at a nascent stage of growth. M/o Rural Development is the nodal Ministry for National Mission on bio-diesel for production of bio-diesel.

(b):- The production cost of biodiesel is about 50% higher than diesel production cost. However, the CO, particulate matter and hydrocarbon emissions generated by biodiesel are substantially lower vis-À-vis diesel.

(c):- To encourage production of bio-diesel in the country, the Ministry of Petroleum and Natural Gas announced a Bio-diesel Purchase Policy, in October 2005, effective 1.1.2006. The Policy has identified 20 purchase centres of the public sector oil marketing companies (OMCs) all over the country. The OMCs would purchase bio-diesel meeting the standards prescribed by the Bureau of Indian Standards (BIS), from those bio-diesel manufacturers who register with them after satisfying the technical specifications, at a specified delivered price. Depending upon felt need and preparedness, the OMCs could also open more purchase centres.

A Detailed Project Report (DPR) on the National Mission on Bio-diesel has been submitted by the Ministry of Rural Development to the Planning Commission, which, inter-alia, envisages a Demonstration Project involving plantation of Jatropha in 4 lakh hectares of degraded forest and non-forest lands for manufacturing bio-diesel. The Planning Commission has given `in principle` approval to the DPR on demonstration phase estimated to cost Rs. 1286 crores over a period of 5 years.

(d) :- This has not come to the knowledge of the Government.

(e) & (f):- Do not arise.