

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:2222
ANSWERED ON:09.03.2000
PRICE OF PALM OIL
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Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether there is a downward trend in the prices of Palm oil in the country; (
- (b) if so, the reasons therefor; (
- (c) whether the price fixed for oil Palm fresh fruit is remunerative;
- (d) if so, the details thereof;
- (e) the measures taken by the government in this regard; and
- (f) the reasons for cut in import duty on Palm oil?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI V. SREEI PRASAD)

(a) & (b) : Palm oil like all other oils have followed a downward trend, as observed internationally. The main reason for this downward trend in prices is the satisfactory situation in the availability and prices of edible oils in the international market. Palm oil prices in the country have followed this downward trend.

(c) & (d) : Cost of cultivation of oil palm fresh fruit bunches (FFBs) in the country has been estimated at about Rs. 2750 per MT to Rs. 3000 per MT. Taking into account the steep decline in the price of crude palm oil, price of oil palm FFBs has been fixed at Rs. 2300 per MT by Government of Andhra Pradesh and Rs. 2750 per MT by Government of Karnataka.

(e) : Ministry of Agriculture is implementing a Market Intervention Scheme (MIS) in Andhra Pradesh to ensure that oil palm growers are paid reasonable price of oil palm fresh fruit bunches (FFBs). The price being paid for oil palm FFBs under MIS is Rs.2750 per MT.

(f) : There has been no reduction in the effective rate of 16.5% import duty on crude palm oil of edible grade. RBD palm oil of edible grade and its fractions continue to attract the peak rate of customs duty.