

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

UNSTARRED QUESTION NO:1219  
ANSWERED ON:02.03.2001  
DEMAND AND SUPPLY OF VANASPATI  
A. VENKATESH NAIK;RAMSHETH THAKUR

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

- (a) whether demand for Vanaspati is in excess of its production of supply;
- (b) if so, the facts in this regard; and
- (c) the steps being taken by the Government to meet the demand of Vanaspati in full?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION ( SREENIVASA PRASAD )

(a) & (b) : The demand for vanaspati has not been separately assessed. However, demand for edible oils (vanaspati is nothing but a processed edible oil) has been made.

The demand and supply of edible oils for the Oil Year (Nov. to Oct.) 1999-2000 and 2000-2001 are estimated as under:-

(Figures in lakh MTs)

Oil-Year	Demand	Supply+
1999-2000	96.43	61.50
2000-2001	100.96	56.16

+ Computed on the basis of the oilseeds production figures of the Agriculture Ministry.

(c) Some of the steps taken by the Government to meet the demand of vanaspati are:

(i) The import duty structure has been designed so as to encourage the domestic processing industry, including vanaspati industry in terms of better capacity utilisation and higher value addition.

(ii) Duties on crude oil meant for processing have been kept lower than those on refined edible oils.

(iii) The duty on Crude Palm Oil (CPO) imported for manufacture of vanaspati has been kept at the lowest level of 25%. The basic reason has been to enable a level playing field to the indigenous vanaspati industry against the vanaspati imported from other countries, such as Nepal, duty free, quantity free and license free.

(iv) Vanaspati has been exempted from excise duty.