

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

UNSTARRED QUESTION NO:2688
ANSWERED ON:12.12.2005
VEGETABLE OIL PRODUCING UNITS
Chaure Shri Bapu Hari;Dhotre Shri Sanjay Shamrao

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

- (a) the number of vegetable oil producing units in the country particularly Maharashtra, State-wise;
- (b) the production capacity alongwith the total production of these units;
- (c) the number of such units which have closed down during the last three years and the reasons therefor; and
- (d) the steps taken by the Government to revive these units?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): Consequent upon de-licensing of vegetable oil industry w.e.f. 25.7.1991, no precise figure about the number of vegetable oil producing units in the country is available. According to available information, details about number of vanaspati units and solvent extraction plants along with annual installed capacity at present and production for 2004-05 have been estimated as under:-

Vanaspati Units Solvent Extraction Plants

No. of Annual units installed capacity (in lakh tonnes)	Annual Production (in lakh tonnes)	No. of Annual units installed capacity (in lakh tonnes)	Annual Production (in lakh tonnes)
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All India	259	50	11	711	312	17
Maharashtra	27	6.6	1	75	54	3

(c): There are 115 vanaspati units and 173 solvent extraction plants lying closed at present. The closure of large number of units/plants was/is on accounts of various factors, such as creation of production capacity not commensurate with availability of raw materials, obsolete technology, poor economies of scale, shift in consumer preference towards soft oils, competition from cheaper duty-free imports from Nepal and Sri Lanka under Free Trade Agreement, etc.

(d): Steps taken by the Government to improve the health of vegetable oil industry include:-

(i) Import of oilseeds/edible oils except copra/coconut oil has been allowed on OGL.

(ii) Import duty on certain vegetable oils of edible grade intended for manufacture of refined oil/vanaspati is levied at a concessional rate.

(iii) Import duty on certain crude vegetable oils of edible grade has been kept low as compared to refined oils to facilitate raw material availability.

(iv) Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) is in place to augment the production and productivity of oilseeds.

(v) In order to encourage production of solvent extracted oils in the country and to promote export of extractions, excise duty on food grade hexane has been reduced from 32% to 16%.

(vi) Sick industrial units are allowed to register with the BIFR for rehabilitation.