

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

UNSTARRED QUESTION NO:2385

ANSWERED ON:15.12.2008

SUBSIDY ON EDIBLE OILS

Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Patel Shri Kishanbhai Vestabhai;Reddy Shri Magunta Sreenivasulu;Sai Shri Nand Kumar;Singh Shri Sugrib;Tripathy Shri Braja Kishore

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

- (a) whether the Government provides subsidy on import of edible oils;
- (b) if so, the details thereof and reasons therefor;
- (c) whether requests have been received for extending the said scheme to cover domestic entrepreneurs and farmers producing edible oil and oil seeds; and
- (d) if so, the details thereof and reaction of the Government thereto?

**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): The Government does not provide subsidy on import of edible oils. However, in order to provide relief to the poorer sections of the society from the rising prices of edible oils, the Central Government has introduced a Scheme for distribution of upto 10 lakh tons of imported edible oils in 2008-09 with a subsidy of Rs.15/- per kg. through State Governments/UTs @ 1 kg. per ration card per month through PDS shops/other outlets as decided by them. Twenty nine States/UTs have been allocated edible oil under the scheme, however, only 12 States have implemented the Scheme for distribution of subsidized edible oil. The edible oil is imported, packed and supplied by the Central PSUs to the States/UTs at the cost incurred minus subsidy. The Scheme has been formally launched on 28th July, 2008 from Andhra Pradesh. A copy of the scheme is given at Annex I.

Under the Scheme, orders have been placed by Central PSUs for import of 3.60 lakh tons of edible oils. Till 8.12.2008, 3.34 lakh tons of edible oil have landed in the country and about 1.85 lakh tons have been handed over to various States/UTs by Central PSUs for distribution to ration card holders.

(c) & (d): Requests have been received from the State of Kerala requesting subsidy on coconut oil at par with imported oils to be distributed through States/UTs under the Scheme of Government of India.

In this context, the proposal of the Government of Kerala was not agreed to and the State was informed that the Scheme of Government of India for distribution of subsidized edible oils is restricted only to edible oils imported by PSUs and supplied to the States/Union Territories for distribution. The purpose of the Scheme is to augment domestic availability through imports and thus keep under control domestic prices of oil and to provide relief to poor consumers from price rise. There is no provision in the Scheme to subsidize domestic oils.