

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

UNSTARRED QUESTION NO:160

ANSWERED ON:22.02.2011

RISE IN PRICE OF EDIBLE OIL

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

- (a) whether the prices of edible oil have registered a steep rise during the recent months;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government proposes to import edible oils including soyabean oil to improve availability and check prices;
- (d) if so, the details thereof; and
- (e) the other steps taken to improve availability and check the prices of edible oil alongwith the success achieved therein?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): During last three months, wholesale domestic prices of edible oils such as soyabean oil, groundnut oil, mustard oil, sunflower oil and RBD palmolein have increased by 0.35% to 12.92%. Over the last one month, however, the prices of soyabean oil, groundnut oil and sunflower oil have declined by 0.33% to 1.38%.

The increase in domestic prices of edible oils in the country has been due to continuous increase in consumption of edible oils by about 6% per year, lower domestic production of edible oils in oil year 2009-10(Nov-Oct) than in 2008-09 and their high international prices, as about half of domestic demand is met through imports.

(c) & (d) : In order to augment availability of edible oils for domestic consumers and check rise in prices, their imports have been facilitated. Import duty on crude and refined edible oils has been reduced to 0% and 7.5% respectively since 1.4.2008. This duty structure has been continued upto September, 2011. Due to this liberal import duty structure, 88.23 lakh tons of edible oils have been imported into the country during 2009-10 (Nov-Oct).

(e) In addition to facilitation of imports of edible oils, Government has taken following measures to ensure adequate availability of edible oils in the country and check rise in their prices:-

(i) Government has been implementing since 2008-09 a Scheme for distribution of subsidized imported edible oils. Under this Scheme, RBD palmolein and soyabean oils imported by Central Public Sector Undertakings (CPSUs) have been delivered to State/Union Territory Governments for distribution to ration card holders. Government provides a subsidy of Rs. 15/- per kg. on these edible oils distributed under the Scheme. During Oil Year 2009-10 (Nov-Oct) CPSUs have imported 3.76 lakh tons of edible oils.

(ii) Export of major edible oils has been banned since 17.03.2008, except coconut oil through Cochin Port, certain oils extracted from minor forest produce and small quantity of edible oils in consumer packs of upto 5kg.

(iii) Government has allowed State/UT Governments to impose stock holding limits on oilseeds and edible oils.

(iv) Efforts have been made to increase domestic production of edible oils.

These measures have resulted in higher domestic availability of edible oils, check on rise in their prices and delivery of subsidized imported edible oils to ration card holders especially BPL families in several States/UTs.