

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

UNSTARRED QUESTION NO:5389

ANSWERED ON:06.09.2011

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 including groundnut have increased during the last two years and the current year due to decline in production of oil and oilseeds;
- (b) if so, the details thereof indicating the production, demand, import and price of edible oils during the said period alongwith the expenditure incurred on its import; and
- (c) the effective steps taken to improve production and availability of edible oils in the country?

Answer

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

(a) & (b): As far as production of oilseeds is concerned, as per the 4th advance estimate of Ministry of Agriculture for 2010-11 estimated production of oilseeds is about 311.01 lakh tons i.e. 62.18 lakh tons higher than 2009-10 (an increase of 25%) and production of oils from these oilseeds is likely to be higher by 13.18 lakh tons compared to 2009-10 (an increase of 23.5%). Despite this there has been increase in the domestic prices of edible oils because of increase in international prices of edible oils. Since there is gap between demand and supply of edible oils in the country and about half of the demand is met through imports, therefore any increase in international prices adversely affects the domestic prices of edible oils which is the reason for increase in domestic prices during the last two years and the current year.

The details of wholesale domestic prices of edible oils are as under :

Edible Oil	Year		
	2009 (Jan-Dec)	2010 (Jan-Dec)	2011 (Jan-July)
Mustard oil	4984	5141	6119
Groundnut oil	6058	7515	8344
Soyabean Refined Oil	4526	4697	6185
Sunflower Oil	4249	5009	6475

The decrease in sowing area in groundnut during current Kharif season due to delay in monsoon has firmed the prices of groundnut oil.

The net availability, import of edible oils and expenditure incurred on import during the last two years and current year are as follows:-

Oil-Year (Nov.-Oct.)

	Net availability of edible oils from all domestic sources in lakh tons	Import of edible oils	Value of edible oils imported (Rs. in crores)
2008-09	84.56	81.83	27035
2009-10	79.46	88.23	34677
2010-11 (estimated)	94.36	49.48 (Nov.-Jun.)	28181

Source: *Derived from edible oilseeds production declared by Deptt. of Agriculture & Cooperation.

**The Solvent Extractors' Association of India (SEAI), Mumbai

(c): The Government has taken various steps to improve production and availability of oilseeds/edible oils in the country such as :

(i) A Centrally sponsored Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) is being implemented in 14 major oilseeds growing states and 9 oil palm growing states to increase production of oilseeds/edible oils. Under this scheme as well as Macro Management of Agriculture (MMA) and Rashtriya Krishi Vikas Yojana (RKVY), assistance is provided for improving agronomic practices.

(ii) Extension work is being taken up for propagation of improved production and pest management technologies in respect of oilseeds.

(iii) A new sub-scheme has been introduced during 2010-11 under RKVY as a special initiative for pulses and oilseeds for organizing 60,000 "pulses and oilseeds villages" in rainfed areas.

(iv) Government has allocated additional budget of Rs. 300 crores during 2011-12 under RKVY for oil-palm area expansion programme.

(v) Imports of edible oils have been facilitated through liberal import duty structure.

(vi) In order to moderate prices of edible oils and to augment its availability in the domestic market, Government has introduced a 'Scheme for Distribution of Subsidised Imported Edible Oils through States/UTs Governments' with a Central subsidy of Rs. 15/- per kg.