

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

UNSTARRED QUESTION NO:142
ANSWERED ON:22.11.2011
SUPPLY OF EDIBLE OIL
Ramasubbu Shri S.

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

- (a) whether there is a huge gap in the demand and supply of edible oil in the country and the retail prices have increased sharply in the last few months;
- (b) if so, the details alongwith the reasons therefor;
- (c) whether the Government has taken any steps to increase production and enhance imports to meet the shortfall; and
- (d) if so, the details thereof?

Answer

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

(a) & (b) Yes, Madam. There is gap in demand and supply of edible oils in the country, which is met through imports. The increase in demand of the edible oils in the country is due to increase in population & better living standard.

The retail prices of the packed edible oil like soyabean oil, sunflower oil, palm oil, groundnut oil, mustard oil have increased during the last three months. A Statement showing details of retail prices of edible oil for the current month and for the last three months is annexed. Since about 50% of domestic requirement is met through imports, domestic prices are susceptible to the changes in International Prices.

(c)& (d): The Government has taken various steps to increase production and enhance the imports to meet the shortfall such as :-

i) A Centrally sponsored Integrated Scheme of Oilseeds, 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 under 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 (except coconut oil) is under Open General License (OGL)

vi) Imports of edible oils have been liberalized by reducing import duty to zero and 7.5% on crude and refined oils respectively since April 2008, which has been continued

vii) Export of edible oils has been banned since March, 2008 except coconut oil (through Cochin Port), certain oils produced from minor forest produce and edible oils in branded consumer packs of upto 5 kgs. subject to a limit of 10,000 tons per year. The ban on export of edible oils with above exemptions has been extended upto September, 2012.

viii) In order to augment availability of edible oils in the domestic market, Government had introduced a " Scheme for Distribution of Subsidized Imported Edible Oils through States/UTs Governments" for distribution to ration card holders with a central subsidy of Rs 15/-per Kg in 2008. The scheme has been extended upto September 2012.