

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

STARRED QUESTION NO:453

ANSWERED ON:08.05.2012

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 price of edible oil has increased in the domestic market during each of the last three years and the current year;
- (b) if so, the details thereof and the reasons therefor alongwith the reaction of the Government thereto, edible oil-wise;
- (c) the details of the demand, supply and import of edible oil in the country during the said period, edible oil-wise and State-wise including Maharashtra; and
- (d) the steps taken/being taken by the Government to keep a check on price rise and to ensure adequate availability of edible oil to the consumers?

Answer

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

(a)to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE STARRED QUESTION NO. 453 DUE FOR ANSWER ON 08.05.2012 IN THE LOK SABHA

(a) and (b): The wholesale domestic prices of major edible oils viz. mustard oil, groundnut oil, soyabean oil, sunflower oil and RBD palmolein had increased during 2008. The prices of these oils declined during 2009 and increased during 2010, 2011 and current year. The details of average wholesale domestic prices (oil-wise) during the last three years and current year are as under:

Rate Rs. per quintal

Oil Year (January-December)

2008 2009 2010 2011 2012
(Jan.-March)

Mustard oil 6172 4984 5141 6390 7687

Groundnut oil 6752 6058 7515 8693 10834

Soyabean oil 5746 4526 4697 6253 6825

Sunflower oil 6329 4249 5009 6498 6342

RBD palmolein 4882 3752 4397 5645 5840

Source: The Solvent Extractors' Association of India

The reasons for increase in prices of edible oils have been (i) consumption of edible oils in the country has been increasing steadily

whereas the production of oilseeds is not increasing as compared to demand. The production of oilseeds during 2008-09 (November-October) had been 277.19 lakh tons as compared to 297.55 lakh tons during previous year, which further declined to 248.83 lakh tons during 2009-10. However, there has been increase in the production of oilseeds during 2010-11 to 324.79 lakh tons, but as per the 3rd advance estimates declared by the Ministry of Agriculture, the estimated production of oilseeds during 2011-12 is 300.62 lakh tons, i.e., 24.17 lakh tons lower than 2010-11. (ii) Another reason is increase in prices of edible oils in the international market. There is gap between demand and supply of edible oils in the country and about half of the demand of edible oils is met through imports. The domestic prices of edible oils are susceptible to international prices of edible oils. During the last three years, the wholesale international prices (as on 2.5.2012) of major edible oils, viz. crude palm oil, soyabean oil, sunflower oil and RBD palmolein have increased by 63.12%, 59.09%, 49.38% and 48.03% respectively. (iii) Depreciation of rupee as compared to US \$.

(c): The details of oil-wise demand, production/supply and import of edible oils in the country during the last three years and current year are annexed at Annexure-I and Annexure-II. The detail of State-wise production of oilseeds, including Maharashtra is at Annexure-III. However, data for State-wise demand and import of edible oils is not maintained by the Department.

(d): In order to meet the requirement of edible oils in the country and to keep the prices under control, Government has taken the following steps:

(i) Import duties on crude and refined edible oils have been reduced to nil and 7.5% respectively.

(ii) Export of edible oils has been banned except coconut oil, edible oils from minor forest produce and branded oils in small consumer packs within a quantitative limit.

(iii) State Governments have been authorized to impose stock limits on edible oils and oilseeds.

(iv) In order to provide relief to consumers from rising prices and to augment availability of edible oils, since 2008, Government has introduced a "Scheme for distribution of subsidized imported edible oils through states/Union Territories" for distribution to ration card holders with a central subsidy of Rs. 15/- per Kg. the scheme has been extended upto September, 2012. The scheme is expected to moderate the prices of edible oils in the domestic market.