

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:6423  
ANSWERED ON:15.05.2012  
PRICES OF OIL PALM  
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**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the prices of oil palm has increased manifold in the country during the last five years;
- (b) if so, the details thereof;
- (c) whether the Government proposes to stock enough quantity of oil palm as a measure to check increase in its prices;
- (d) if so, the details thereof; and
- (e) if not, the measures taken by the Government to check the increasing prices of oil palm?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a) & (b): The cultivation of oil palm crop produces Fresh Fruit Bunches (FFBs) which are used for the production of Crude Palm Oil (CPO) and refined palmolein. FFBs of oil palm are perishable in nature and crushed within 24 hours of harvest by the processors. As per the guidelines of centrally sponsored "Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM)", the prices of FFBs are fixed by a Price Fixation Committee constituted by the State Governments. In Andhra Pradesh which is the major producer of Fresh Fruit Bunches (FFBs) of oil palm, prices of FFBs have increased from Rs.4778 per metric tonne in the month of February-April, 2007 to Rs.7758 per metric tonne in April, 2012. As regards the prices of refined palmolein are concerned, the Department of Food and Public Distribution, Government of India has informed that the average wholesale prices of refined palmolein in the domestic market increased during 2008 as compared to previous year. Thereafter, the prices declined during 2009 and again increased in 2010 and 2011. The details of average wholesale domestic prices of refined palmolein during the last five years is noted below:-

Year	Prices (in Rupees per quintal)
2007	4621
2008	4882
2009	3752
2010	4397
2011	5645

(c) & (d): The import of edible oils is under Open General License (OGL). In order to control the prices and availability of edible oils in the country, since 2008 Government has implemented scheme for distribution of subsidized imported edible oils (RBD palmolein and soybean oil) with a subsidy of Rs.15/- per kg through States/UTs for distribution to ration card holders. The scheme was extended from time to time and at present the scheme has been extended for a period of one year from October, 2011 to September, 2012 for import of upto 10 lakhs tons of edible oils. So far, from October, 2011, about 6.64 lakh tons of RBD palmolein and 0.18 lakh tons of soybean oil have been allocated to different States.

(e): Various measures taken to contain the prices of edible oils are as follows:-

- (i) Import duties on crude and refined edible oils have been reduced to nil and 75% 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.
- 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.