

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

STARRED QUESTION NO:420

ANSWERED ON:23.04.2013

IMPORT OF EDIBLE OIL

Antony Shri Anto;Joshi Dr. Murli Manohar

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

- (a) whether large scale import of crude and refined edible oil at zero/reduced import duty has been undertaken during the last three years and the current year;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the increase in imports at zero/reduced duty led to a fall in its prices and has adversely affected the domestic production of oilseeds and edible oil including coconut in the country;
- (d) if so, the details thereof and the corrective steps proposed to be taken in this regard;and
- (e) whether the Government proposes to increase the import duty and allow export of edible oil including coconut to protect the interest of farmers and producers, and if so, the details thereof?

Answer

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

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) STARRED QUESTION NO. 420 TO BE ANSWERED ON 23.04.2013 IN THE LOK SABHA

(a) & (b) In order to bridge the gap between demand and supply of edible oils in the country, the import of edible oils has been allowed at import duty of zero percent on crude and 7.5% on refined edible oils since 2008. However, w.e.f 23.01.2013, a nominal 2.5% import duty on crude edible oils has been imposed. Import of edible oils has increased due to stagnant production of oilseeds and increase in consumption. The quantity of imported edible oils during the last three years and current year is detailed below:

Year(Nov. -Oct.) Import of Edible Oils(in lakh tons)

2009-10 74.64

2010-11 72.42

2011-12 99.43

2012-13 (upto Jan.,13) 27.83

Source: Directorate General of Commercial Intelligence & Statistics (Ministry of Commerce).

(c) No, Madam. Except for coconut oil domestic production of oilseeds is either stagnant or declined in last three years and prices of these edible oils have increased as can be seen from Annex. By allowing import of edible oils at zero/reduced duty sufficient supply of

edible oils have been maintained and made available to the consumers at a reasonable price.

(d) In order to encourage production of oilseeds, Government fixes Minimum Support Price (MSP) of oilseeds. The MSP of major oilseeds such as groundnut, soyabean and sunflower has been increased to Rs. 3700, Rs. 2240 and Rs. 3700 (per quintal) in 2012-13 from Rs. 2700, Rs. 1690 and Rs. 2800 respectively in 2011-12. The MSP for mustard seed was Rs. 2500 per quintal in 2012-13 which has been increased to Rs. 3000 in 2013-14.

(e) At present Government has no proposal to increase import duty on edible oils. Presently export of edible oils is banned except in branded consumer packs of upto 5 Kg subject to a minimum export price of USD 1500 per ton. To protect coconut growers there is an import duty of 70% on copra. There is no restriction on export of coconut oil which is allowed from all Electronic Data Interchange (EDI) ports and through Land Customs Stations (LCS).