

To cut ballooning import bill, govt targets 3- fold Increase in domestic palm oil output

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NEW DELHI: The government has set the ambitious target for more than three-fold increase in domestic palm oil production, from the current 3 lakh tonnes to 11 lakh tonnes by 2025-26, to reduce India's high dependence on import of edible oil. To accelerate production and cultivation of oil palm in the country, the government will now put special focus on the North East and Andaman and Nicobar Islands.

Sources said the proposal for National Mission on Edible Oil - Oil Palm (NEMO-OP) was placed before the Cabinet on Wednesday and it has been approved. The mission to push domestic palm oil production gains significance considering India imported nearly 133.5 lakh tonnes of edible oil in 2020-21 worth Rs 80,000 crore to meet the domestic requirement and the share of imported palm oil was around 56% followed by soyabean (27%) and sunflower oil (16%).

TOI has learnt that under this mission the government will focus on increasing the oil palm cultivation to 10 lakh hectares by 2025-26 and 16.7 lakh hectares by 2029-30. The Centre will provide some financial assistance to farmers to ensure that they get a good price for their produce. It will work out the formula price and the viability price of the produce.

Sources said the weather condition in North East and Andaman and Nicobar Islands is conducive for oil palm cultivation and this is the reason why the special focus of the mission will be on these two areas.

"If the government aims to bring 10 lakh hectares under oil palm cultivation in the next five years, they must declare the oil palm as a plantation crop like rubber tea and coffee to attract investment. Also, the land suitable for oil palm cultivation should be exempted from land ceiling act. The government is going to earn Rs 40,000 crore as import duty from the import of edible oil this year. We have been suggesting that the government should give financial support of Rs 5,000 crore per annum for the next five years for Oilseeds and Oil Palm program to see tangible results," said **B V Mehta, executive director of Solvent Extractors Association (SEA) of India.**