

# Tread with caution

The stated objectives of NMEO-OP are reasonable but the additional cultivation of oil palm has to be done in a sustainable and responsible manner



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The Government of India on August 18 announced the National Mission on Edible Oils and Oil Palm (NMEO-OP). This mission proposes additional cultivation of 6.5 lakh hectares of oil palm by 2025-26, bringing the total area under oil palm cultivation to 10 lakh hectares. A total sum of Rs 11,040 crore has been earmarked for the scheme. This decision has generated a lot of controversy because of the likely ecological fallouts in terms of massive deforestation and loss of biodiversity. It thus becomes important to evaluate the various aspects of this policy and its intended as well as unintended consequences.

India is a net importer of edible oils with palm oil being the principal import. The annual consumption of edible oils in India is 25 million tonnes while the domestic production is 10.5 million tonnes. 58 per cent of the requirement is imported. The import bill in 2019-20 was USD 9.6 billion which is a significant amount. This mission proposes to reduce our dependence on imports to 38 per cent by 2025-26, though our consumption is likely to go up to 29 million tonnes. Obviously, the intent of the mission is to reduce the import bill and make India self-sufficient in edible oils to a large extent. Nobody can argue against this objective.

Even though concerns are being raised today, this initiative is not exactly a new one. To reduce dependence on imported edible oil, India began encouraging oil palm cultivation in 1991-92 under the oil palm development programme. Incidentally, oil palm gives four times more oil than other edible oils and so appears to be a viable proposition. In 1995, a national research centre for oil palm was set up. In 2004-05, 12 states took up oil palm cultivation as part of an integrated scheme of oil-seeds, pulses, oil palm and maize. During the 11<sup>th</sup> five-year plan, a committee was set up under KC Chadha to reassess the potential of palm oil cultivation. This committee identified 10 lakh hectares as a potential area for the cul-



Oil palm cultivation in ecologically sensitive areas could hamper the biodiversity

tivation of oil palm. In 2011-12, oil palm cultivation and expansion was included in the prestigious Rashtriya Krishi Vishisht Yojna (RKVY) of the Ministry of Agriculture, Government of India. In 2014-15, a national mission on oilseeds and oil palm was launched. In 2015, 100 per cent FDI in palm oil production was allowed. The cooperation of the State was also elicited in the programme, and oil palm was declared a plantation crop to attract private sector investment. It is thus clear that the decision taken last week is merely a continuation of the thinking that has been taking shape for almost the last three decades.

To counter the criticism regarding the adverse impact on the environment, the Government of India claims that no forest will be destroyed for oil palm cultivation which would be done mostly in the fields of the farmers and assures that the programme will be kept farmer-centric. The scheme envisages assistance to farmers for planting materials in the range of Rs 12,000 to Rs 29,000 per hectare. Special assistance of Rs 250 per plant is to be given if old gardens are replanted. Oil palm takes four years to fructify. However, in the first three years, farmers can grow other crops (except paddy) like ground nuts, soya bean etc. which would ensure that the farmer does not suffer losses on going for oil palm cultivation. The Government of India has also given

the farmers a price assurance through a mechanism of viability price to counter price volatility.

Oil palm grows in tropical climate, especially near the equator. The Indian government has identified the North-east and Andaman & Nicobar Islands as the areas where this plantation would be taken up. Incidentally, both these areas are ecologically sensitive. Northeast is recognized as a home to around 850 bird species along with citrus fruits, medicinal plants, and a host of other rare plants and herbs. Similarly, Andaman & Nicobar has rich biodiversity in flora and fauna and experts have opined that no new flora or fauna species should be introduced in these Islands. There is thus a very valid apprehension of the destruction of valuable biodiversity due to the introduction of oil palm in these areas. It is likely that primary forest will be replaced by oil palm as the greed for profits by the palm oil industry would soon create political pressure for expanding the cultivation beyond the fields of the farmers.

Historically, palm oil has led to the deforestation of three per cent in West Africa and 50 per cent in Malaysia and Borneo as well as Indonesia. In fact, the entire low land in Malaysia has been lost to oil palm. It has driven the orangutans, gibbons, tiger, Sumatran rhino and elephants to the verge of extinction. To preserve biodiversity, Indonesia and Sri

Lanka have already started controlling oil palm cultivation and, as pointed out by Sudhir Suthar in an article in *Indian Express*, the Indonesian government put a three-year moratorium on licenses on palm oil production and Sri Lanka has even ordered the uprooting of oil palm plants.

Even in India, where oil palm plantation has been taken up, the experience shows that particularly in Arunachal the farmers have been going in for oil palm cultivation in a big way and this is leading to an adverse impact on forest land. I read a study by YR Shankar Raman and Jaidev Mandal (2017) about oil palm cultivation in Mizoram. It says that in the same area, where teak cultivation supports about 38 species of birds and rain forests sustain 58 species, oil palm supports only 10 species. Incidentally, there is no environmental impact assessment (EIA) required for conversion of land to oil palm cultivation because it is designated as a plantation. Further, oil palm cultivation gets encouraged due to the ambiguous definition of forest cover which states that all lands more than one hectare in area with a tree canopy density of 10 per cent, irrespective of ownership and legal status, are covered under the definition of forests. Such lands may not necessarily be recorded as forest areas. It also includes orchards, bamboo and palm. Thus, supporters of oil palm can argue that planting oil palm leads to enhancement of forest cover which would be a fallacy.

We cannot argue that there should be no effort towards producing palm oil within the country as we need to minimize the import bill due to palm oil imports. Also, the government and the consumers would be interested in keeping the prices of edible oil under control. However, we cannot allow the destruction of the biodiversity and degradation of the environment. The solution then lies in the sustainable and responsible production of oil palm. It should be insisted that this cultivation takes place only in the fields of the farmers, and industrial large-scale plantation by the corporates should

be prohibited in ecologically sensitive areas. Also, palm oil production should only be for edible purposes and not for non-edible uses like cosmetics etc. This would keep the demand in check. Already in 12 states, oil palm plantation has begun and the ecological impact on this needs to be studied. The government should focus on increasing the area under oil palm cultivation in these 12 states where it has not led to adverse impact on ecology, rather than moving to new areas like North-east or A & N which are highly sensitive and where it could lead to widespread rain forest destruction, wildlife loss and bring about climate change. Even in the fields of the farmers, it has been found that the growth of oil palm leads to soil erosion and air and water pollution. It is thus desirable that any extension of oil palm cultivation should not be done without an environmental impact assessment.

Companies producing palm oil should be incentivised to produce it in a sustainable manner. Illegal plantations will need to be severely dealt with. No conversion of forest land to oil palm should be permitted as this leads to poverty amongst the communities dependent upon forest for their way of life and has the potential of leading to mutually destructive man-animal conflict. These days there is a movement in the West, and in India also, to encourage those companies which invest in ESG (environment, social, governance) issues. Banks provide credit to such companies and the investors are putting in their money in these ventures. Palm oil production should be done in a manner to address these ESG concerns. In fact, there could be a system where palm oil would need to be certified as having been produced ecologically just like you have in the case of organic plants. Oil palm production does not have to be destructive to the environment. It has to be done responsibly with great concern for the ecology and biodiversity.

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