

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**UNSTARRED QUESTION NO. 1012**  
**TO BE ANSWERED ON 08<sup>TH</sup> FEBRUARY, 2023**

**PALM OIL**

1012. SHRI SRIDHAR KOTAGIRI:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is taking steps to protect the palm oil farmers and domestic production as import duties have been reduced to zero on palm oil to reduce inflation, exposing palm oil farmers locally to a price crash of more than Rs.10000 per tonne;
- (b) if so, the details thereof;
- (c) whether the Government is considering to support local palm oil farmers if import duty is dropped below a certain level to sustain local production based on the current costs; and
- (d) if so, the details thereof?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY**  
**(SMT. ANUPRIYA PATEL)**

**(a) & (b):** Though the basic custom duty on crude palm oil is zero, the effective import duty on crude palm oil is 5.5% including Agriculture Infrastructure and Development Cess (AIDC) at 5% and Social Welfare Surcharge at 10%. The effective import duty on refined palm oil is 13.75% including zero AIDC and Social Welfare Surcharge at 10%. The 'National Mission on Edible Oil (NMEO)-Oil Palm (NMEO-OP)' has been launched by the Government to promote oil palm cultivation for making the country 'Aatmanirbhar' in edible oils with special focus on North-Eastern States and Andaman & Nicobar Islands. The Mission will bring additional area of 6.5 lakh hectares under Oil Palm plantation with 3.28 lakh hectares in North-Eastern States and 3.22 lakh hectares in rest of India in 5 years i.e from 2021-22 to 2025-26. Under NMEO-OP, the cost will be shared as 60:40 between the Central and the State Government for general States and 90:10 for North Eastern States and 100% for central agencies & Union Territories.

**(c) & (d):** In order to protect the farmers from the fluctuations in the international prices of crude palm oil and the volatility in the markets, the Government for the first time has introduced the concept of Viability Price (VP) of Fresh Fruit Bunches (FFBs) as assured returns to the oil palm farmers.

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