

**GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION**

**LOK SABHA
UNSTARRED QUESTION NO.2522
TO BE ANSWERED ON 16TH MARCH, 2022**

SUBSIDY FOR EDIBLE OIL

2522. SHRIMATI SAJDA AHMED:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government proposes to offer subsidy for edible oils;**
- (b) if so, the details thereof;**
- (c) whether the Government has assessed the impact of continued increase in prices of edible oils;**
- (d) if so, the steps taken by the Government to lower the price of edible oils; and**
- (e) the measures taken by the Government to control the sharp rise of food prices during the last one year?**

A N S W E R

**MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND CONSUMER
AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SADHVI NIRANJAN JYOTI)**

(a) & (b): No Sir.

(c), (d) and (e): The Government monitors the retail and wholesale prices of 22 essential food commodities including edible oils submitted by the 179 price monitoring centres that have been set up with Central assistance by State Governments and UT Administrations across the country.

Taking into account price trends, the Government takes various measures from time to time to augment domestic availability and stabilize prices of essential food commodities. These steps, *inter alia*, include releases from the buffer to cool down prices, imposition of stock limits, monitoring of stocks declared by entities to prevent hoarding as also requisite changes in trade policy instruments like rationalization of import duty, changes in import quota, restrictions on exports of the commodity etc.

In order to improve the domestic availability and to keep prices of edible oils under control, the Government has been rationalizing the duty structure on edible oils during 2021-22 to reduce the price burden of common man. The following measures have been taken:

- In a bid to control the continuous rise in the cooking oil prices since past one year, the Central Government has cut the basic duty on Crude Palm Oil, Crude Soyabean Oil and Crude Sunflower Oil from 2.5% to Nil. The Agri-cess on these Oils has been brought to 5% .
- The basic duty on Refined Soyabean oil and Refined Sunflower Oil has been slashed to 17.5% from the current 32.5% and the basic duty on Refined Palm Oils has been reduced from 17.5% to 12.5%
- The Government has extended the free import of Refined Palm Oils for a period upto 31.12.2022
- The current basic rate of import duty of zero percent on Crude Palm Oil, Crude Soyabean oil and Crude Sunflower Oil has been extended upto 30th September, 2022 and the rate of import duty on Refined Palm Oils at 12.5%, Refined Soyabean oil and Refined Sunflower Oil at 17.5% has also been extended up to 30th September, 2022.
- To control prices of edible oils, futures trading in mustard oil on NCDEX has been suspended and stock limits have been imposed.
- The Department of Food and Public Distribution had imposed stock limits on Edible Oils and Oilseeds w.e.f. 8th October, 2021 for a period up to 31st March, 2022.
- Further, an amended Order "The Removal of Licensing Requirements, Stock Limits and Movement Restrictions on Specified Foodstuffs (Amendment) Order, 2022" has been notified w.e.f 03rd February, 2022 specifying the quantities of stock limits of edible oil & oil-seeds , to be implemented by all States/UT's. This Order has been issued to ensure the smooth availability of edible oils and oil-seeds in the country.

The Government of India has been implementing a Centrally Sponsored Scheme, National Food Security Mission- Oilseeds & Oil palm (NFSM-OS&OP) from 2018-19 to augment the availability of vegetable oils and to reduce the import of edible oils by increasing the production and productivity of oilseeds and area expansion of Oil Palm & Tree Borne Oilseeds in the country.

Now, the Government has launched a separate Mission for Oil Palm, which is the National Mission for Edible Oils (Oil Palm)- NMEO (OP) to promote oil palm cultivation for making the country Atmanirbhar in edible oils with special focus on North-Eastern States and Andaman and Nicobar Islands.

In May, 2021 advisories were issued to States/UTs to monitor prices of essential food commodities and to ensure disclosure of pulses stocks held by millers, importers and traders under the Essential Commodities Act, 1955. Imposition of stock limit on all pulses except Moong was notified on 2.7.2021. Thereafter, an amended order was issued on 19.7.2021 imposing stock limits on four pulses, namely, Tur, Urad, Masur, Chana for a period up to 31.10.2021.

To improve availability and stabilise prices of pulses, the Government has allowed import of Tur, Urad and Moong under 'Free category' w.e.f May 15, 2021 till October 31, 2021 in order to ensure smooth and seamless imports. The Free regime was thereafter extended for Tur and Urad till March 31, 2022; the last date for Bill of Lading is March 31, 2022, and for Customs clearance, it is June 30, 2022. In order to soften the impact of higher international prices on domestic consumers, the Government reduced the basic import duty on Masur from 10% to zero and AIDC (Agriculture Infrastructure and Development Cess) from 20% to 10% from 27th July, 2021. To augment the availability of pulses in the market, 3 lakh Metric Ton of Chana stock has been released between June and August, 2021 through open market sales and to stabilise prices, futures trading in Chana has been suspended from 16th August, 2021. State Governments have been supplied pulses from the buffer on an ongoing basis for their nutrition and welfare programmes.

In order to stabilise retail prices of onion, a buffer stock of 2.08 LMT onion has been built in 2021- 22. Open market releases of onion from the buffer had been targeted towards States/Cities where prices are increasing over the previous month and also in source markets to augment their availability in these key mandis and thereby reduce retail prices. States/UTs had been offered onion at Rs.21/kg ex-storage locations and same has been lifted by some States. Through these measures, the Government has made effective interventions for containing the prices of onion.

Further, the Government has issued advisory to States/UTs to set up the State-level Price Stabilisation Fund (PSF) corpus with central assistance, and has requested States which have set up the Fund already, to make appropriate interventions for cooling down retail prices of essential food commodities.
