

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 1514
TO BE ANSWERED ON THE 29TH July, 2025

PRODUCTION OF CRUDE PALM OIL

1514. SHRI VE VAITHILINGAM:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government has taken cognizance of the fact that the country does not produce much Crude Palm Oil (CPO) to feed the refineries and is dependent on the world's largest producers that is Malaysia and Indonesia for over 90 per cent of its CPO requirement;
- (b) whether the Government has taken any initiative to increase the cultivable area of Palm tree, if so, the details of increase in area with extent and increase in yield/production of palm oil;
- (c) whether the Government has fixed any Minimum Support Price or Fair Market Price for procurement of Palm produced; and
- (d) whether the import of CPO reduced due to the initiatives taken by the Government?

ANSWER

THE MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAMNATH THAKUR)

(a) & (b): Edible oil imports are required to bridge the gap between domestic production and consumption till self-sufficiency in edible oils is achieved. Government of India is implementing a centrally sponsored scheme National Mission on Edible Oils - Oil Palm (NMEO-OP) for the period 2021-22 to 2025-26. NMEO-OP strives to boost oil palm cultivation in the country through area expansion. Till March 2025, 1.89 lakh hectares area had been covered under NMEO-OP, taking the total coverage under oil palm in the country to 5.56 lakh hectares. Crude Palm Oil (CPO) production has risen from 1.91 lakh tonnes in 2014-15 to 3.80 lakh tonnes in 2024-25.

(c): To ensure remunerative prices of Fresh Fruit Bunches (FFBs) to farmers, a system of declaring Formula Price every month (by states concerned) are also followed. Industries linked with a particular area procure the FFBs from the farmers on declared monthly Formula Price. Further, to mitigate the price risk of farmers due to sudden falling of international prices, a system of declaring Viability Price by the central Government is also followed and the Viability Gap Payment (VGP) is provided to the farmers in case the Formula Price drops below the Viability Price of the particular year.

(d): With Oil Palm plantation under the mission starts fruiting from 4th year and achieving optimum yield from 8th year onwards, production is expected to get a boost in the coming years leading to increased CPO output and reducing reliance on CPO imports.
