

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 817
ANSWERED ON 23RD JULY, 2026

EDIBLE OIL EXTRACTION AND PROCESSING CAPACITY

817. SHRI RAJEEV RAI:

Will the Minister of **FOOD PROCESSING INDUSTRIES** be pleased to state:

- (a) whether the Government has taken any steps to enhance domestic edible oil extraction and processing capacity and if so, the details thereof;
- (b) the number of oilseed processing units established or modernised during the last three years; and
- (c) whether financial assistance has been extended for value addition and processing infrastructure and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SHRI RAVNEET SINGH)

(a): As informed by Department of Agriculture & Farmers Welfare, Ministry of Agriculture & Farmers Welfare, the Union Cabinet approved the National Mission on Edible Oils-Oilseeds (NMEO-OS) on 3rd October, 2024 with an outlay of Rs. 10,103.38 crore (Central share of Rs 7,481.67 crore) to boost domestic oilseed production and to strive toward self-sufficiency in edible oils. The Mission aims to increase primary oilseed production to 69.7 million tonnes, expand area coverage to 33 million hectares, and improve productivity to 2,112 kg/ha by 2030-31.

The Mission is being implemented in a cluster-based approach with market linkage. Value Chain Clusters are managed by Value Chain Partners such as Farmer Producer Organizations (FPOs), cooperatives and other agencies. Under these clusters, farmers are provided free high-quality seeds upto area of 1 hectare each and training on good agricultural practices. In addition, assistance is also provided for Machinery & Equipment for Oil extraction units (10 tonne capacity) and processing of oilseeds @ 33% of the project cost upto a maximum of Rs 9.90 lakh per unit to improve the capacity & efficiency of edible oil production. So far, 13.52 lakh hectares have been covered under free seed distribution in the Value Chain Clusters during 2025-26, against the annual target of 10.00 lakh hectares. In addition, 60 Seed Hubs, 50 specialized seed storage units and 400 Oil Mills were sanctioned under NMEO Oilseeds during 2025-26.

A Centrally Sponsored Scheme namely, National Mission on Edible Oils - Oil Palm (NMEO-OP) has been launched during August, 2021 with the aim to enhance the edible oils availability in the country by harnessing Oil Palm area expansion, increasing Crude Palm Oil

(CPO) production and to reduce the import burden on edible oils. Currently, there are 27 operational oil palm processing mills are functioning across the country.

(b) & (c): Ministry of Food Processing Industries (MoFPI) has been supporting setting up/ expansion of food processing infrastructure, including edible oil processing units, through its two Central Sector Scheme viz. Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and a Centrally sponsored PM Formalization of Micro Food Processing Enterprises (PMFME) Scheme across the country.

Schemes implemented by MoFPI aim towards creation of modern infrastructure with efficient supply chain management from farm gate to retail outlet which includes storage, transportation, value addition etc., thereby enhancing productivity, reducing wastage of agricultural produce, reduction in post-harvest losses & increasing the processing level.

As on 30.06.2026, under Creation / Expansion of Food Processing & Preservation Capacities Scheme (CEFPPC), a component scheme of PMKSY, during 2023-24 to 2025-26, total 14 projects related to edible oil processing have been approved with grants in aid of Rs 55.32 crore. Similarly, under PMFME scheme, during 2023-24 to 2025-26, total 10120 micro food enterprises related to oil processing have been approved across the country.
