



Rising Dependence on Edible Oils Import

What is the issue?

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- There is a rising dependence on imports for meeting the edible oils demand.
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- The excessive reliance on external sources for an essential item of mass consumption is a risky fact.
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How dependent are we?

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- The dependence on imports for meeting the edible oils demand has gone up to 70%, since the early 1990s.
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- This is projected to move up in the next.
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- The bulk of imports are of palm oil and that too from just two countries, Malaysia and Indonesia.
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What are the causes?

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- This is largely a result of successive governments' policies favouring imports over home grown oils.
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- Import duties on palm oil have been kept low enough to enable it to outdo indigenous oils.

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- This has been so regardless of the fact that India can produce enough oilseeds to meet the local requirement.

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What is the impact?

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- **Domestic units** - Most of the units of edible oil industry were shut down.
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- The remaining ones are also operating at below their capacities.
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- Some of the units are surviving by mixing low-priced palm oil with superior indigenous oils and selling them.
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- **Overdependence** - The risk of excessive reliance is that any disruption in supply can cause a huge upset in the Indian market.
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- **Unrest** - The recent uprising of the Patidars (Patels) is partly due to this issue.
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- They are predominantly groundnut growers in Gujarat and soybean farmers in Madhya Pradesh.
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- The erosion of profitability of growing oilseeds due to the ill-advised policies is leading to unrest in the community.
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- Besides, the mustard growers of Punjab and Haryana are also equally affected by this.
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What should be done?

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- **Oilseeds Technology Mission** - It was set up in 1986 when import dependence had risen to worrying levels.
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- It involves -\n
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1. Promoting better technology and greater use of yield-enhancing inputs.

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2. Laying down an optimum band, within which local prices of oilseeds and edible oils can be allowed to fluctuate freely.
 3. Market interventions by government agencies only when prices tended to breach the limits to farmers' or consumers' disadvantage.

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- India's oilseed output nearly doubled as a result of this plan by 1992-93. So this could now be considered.
 - Indian oilseed researchers have developed **technologies** that can raise the average yield of these crops.
 - ICAR has even identified **additional area**, mostly fallow land kept untilled after the kharif harvest, to be utilised for oilseeds.
 - These steps could boost the overall production.

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Source: Business Standard

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