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National Mission on Edible Oil-Oil Palm

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Why in News

Recently, the Prime Minister has announced a new national initiative on palm oil production to help increase farm incomes.

The scheme, called National Edible Oil Mission-Oil Palm (NMEO-OP), **for self-reliance in edible oil** involves investment of over Rs. 11,000 crore (over a **five year period**).

Key Points

- **Aims:**

- To **harness domestic edible oil prices** that are dictated by expensive palm oil imports.
- To **raise the domestic production of palm oil** by three times to 11 lakh MT by 2025-26.

This will involve **raising the area under oil palm cultivation** to 10 lakh hectares by 2025-26 and 16.7 lakh hectares by 2029-30.

- **Features:**

- The **special emphasis of the scheme will be in India's north-eastern states and the Andaman and Nicobar Islands** due to the conducive weather conditions in the regions.
- Under the scheme, **oil palm farmers will be provided financial assistance** and will get remuneration under a price and viability formula.

- **Significance of the Scheme:**

- **Reduction in Import dependence:**

- It is expected to incentivise production of palm oil to reduce dependence on imports and help farmers cash in on the huge market.
- India is the **largest consumer of vegetable oil in the world**. Of this, palm oil imports are almost 55% of its total vegetable oil imports.

- **Rise in Yields:**

- India **produces less than half of the roughly 2.4 crore tonnes of edible oil that it consumes annually**. It imports the rest, buying palm oil from Indonesia and Malaysia, soyoil from Brazil and Argentina, and sunflower oil, mainly from Russia and Ukraine.
- In India, **94.1% of its palm oil is used in food products**, especially for cooking purposes. This makes palm oil extremely **critical to India's edible oils economy**.

Palm Oil

- Palm oil is currently the **world's most consumed vegetable oil**.
- It is used extensively in the production of detergents, plastics, cosmetics, and biofuels.
- **Top consumers** of the commodity are India, China, and the **European Union (EU)**.

Edible Oil Economy

- There are **two major features**, which have significantly contributed to the development of this sector. One was the **setting up of the Technology Mission on Oilseeds in 1986** which was **converted into a National Mission on Oilseeds and Oil Palm (NMOOP) in 2014**.

Further it was **merged with NFSM (National Food Security Mission)**.

- This gave a thrust to Government's efforts for augmenting the production of oilseeds. This is evident by the very impressive **increase in the production of oilseeds from about 11.3 million tons in 1986-87 to 33.22 million tons in 2019-20**.
- The **other dominant feature** which has had significant impact on the present status of edible oilseeds/oil industry has been the **program of liberalization under which the Government's economic policy allows greater freedom to the open market and encourages healthy competition and self regulation** rather than protection and control.
- The **Yellow Revolution** is one of the colour revolutions that was launched to increase the production of Edible oilseeds in the country to meet domestic demand.
- The government has also launched the **Kharif Strategy 2021 for oilseeds**.

It will bring an additional 6.37 lakh hectare area under oilseeds and is likely to produce 120.26 lakh quintals of oilseeds and edible oil amounting to 24.36 lakh quintals.

- **Oils Commonly Used in India:** Groundnut, mustard, rapeseed, sesame, safflower, linseed, niger seed, castor are the major traditionally cultivated oilseeds.
 - Soybean and sunflower have also assumed importance in recent years.
 - Coconut is most important amongst the plantation crops.

Source: TH