



# National Mission on Edible Oil-Oil Palm

## Why in News

Recently, the Prime Minister announced a **National Mission on Edible Oil-Oil Palm (NMEO-OP)**, with an **investment of over Rs 11,000 crore over a five-year period**.

- However, some environmentalists have raised concerns over the **disastrous impact of palm oil plantations**.

## Key Points

### ▪ About:

- NMEO-OP is a new **Centrally Sponsored Scheme**. It is proposed to have **an additional 6.5 lakh hectares for palm oil by 2025-26**.
- It will **involve raising the area under oil palm cultivation** to 10 lakh hectares by 2025-26 and 16.7 lakh hectares by 2029-30.
- Oil palm farmers will be provided **financial assistance** and will get remuneration under a price and viability formula.
- The Viability Formula is a **Minimum Support Price-type mechanism** and the government will fix this at **14.3% of Crude Palm Oil (CPO) price**.
  - It will eventually go up to 15.3%.
- Another focus area of the scheme is to substantially **increase the support of inputs/interventions**.
- **Special assistance will be given to replant old gardens** for their rejuvenation.

### ▪ Special Focus:

- The special emphasis of the scheme will be **in India's North-Eastern (NE) states and the Andaman and Nicobar Islands** due to the conducive weather conditions in the regions.
- To attract industry to the NE and Andaman regions, a **provision of Rs 5 crore of 5 mt/hr** (million tonne per hectare) with pro-rata increase for higher capacity will be given.

### ▪ Objective:

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

### ▪ Significance of the Scheme:

#### ◦ Raise Farmers Income:

- It is expected to **incentivise production of palm oil** to **reduce dependence on imports** and help farmers cash in on the huge market.

#### ◦ Rise in Yields & Reduction in Imports:

- 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**.

- It imports the rest, buying palm oil from Indonesia and Malaysia, soy oil 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**.

#### ▪ **Concerns:**

##### ◦ **Impact on Tribal Lands:**

- The **oil palm is a water-guzzling, monoculture crop with a long gestation period** unsuitable for small farmers and the land productivity for palm oil is higher than for oilseeds, which **create apprehension for more land to be given for oil palm cultivation**.
- In southeast Asia, the plantation of palm oil trees has replaced massive tracts of rainforests.
- It could also **detach tribespeople from their identity linked with the community ownership of land** and “wreak havoc on the social fabric”.

##### ◦ **Threat to Wildlife:**

- Focus areas are “biodiversity hotspots and ecologically fragile” and **oil palm plantations would denude forest cover and destroy the habitat of endangered wildlife**.

##### ◦ **Palm is Invasive:**

- The palm is an **invasive species that is not a natural forest product** of northeastern India and its impact on the biodiversity as well as on soil conditions has to be analysed even if it is grown in non-forest areas.
- Invasive species **are non-native species that spread and interfere in a new ecosystem by posing a serious threat** to the native biodiversity. They **don't allow local species to grow** and wildlife to move through.

##### ◦ **Health Concern:**

- Oil palm requires 300 litres of water per tree per day, as well as high **Pesticide** use in areas where it is not a native crop, **leading to consumer health concerns as well**.

##### ◦ **Farmers not Getting Fair Price:**

- The most critical issue in the cultivation of oil palm has been the **inability of farmers to realise a remunerative price** of fresh fruit bunches (FFBs).
- FFBs (Fresh Fruit Bunches) of oil palm are highly perishable and need to be processed within twenty-four hours of harvest.

## Way Forward

- If similar **subsidies and support are extended to oilseeds which are indigenous to India** and suited for dryland agriculture, they **can help achieve self-reliance** without dependence on oil palm.
- A solution would be to **grow oil palm on agricultural land** if farmers are willing to do it and the government incentivises it.
- Lastly, the **success** of mission oil palm will also **depend on import duty on crude palm oil**.
  - In 2012, It was recommended that **whenever the import price of crude palm oil falls below USD 800 per tonne, the import duty needs to be raised**.
- The transformation this crop has brought about in the lives of farmer communities in Andhra Pradesh can help emulate the same in the other potential states as well. A **strong and robust, long-term policy mechanism will give this crop required push** across India.

**Source: TH**

PDF Refernece URL: <https://www.drishtiias.com/printpdf/national-mission-on-edible-oil-oil-palm-1>