



Prioritising Oil Palm Plantation

[Source: PIB](#)

Why in News?

Recently, the **Ministry of Agriculture** urged state governments to **prioritise oil palm plantation** targets under the [National Mission on Edible Oils - Oil Palm \(NMEO-OP\) scheme](#).

What are the Key Facts Regarding NMEO-OP Scheme?

- **About:** NMEO-OP is a [centrally sponsored scheme](#) to enhance domestic production of [crude palm oil \(CPO\)](#), thereby reducing the country's dependence on imports.
- **Objectives:**
 - **Area Expansion:** Cover an **additional 6.5 lakh hectares** of oil palm area by **2025-26**, increasing the total cultivated area to **10 lakh hectares**.
 - **Production Targets:** Increase CPO production from **0.27 lakh tonnes (2019-20)** to **11.20 lakh tonnes (2025-26)** and further to **28 lakh tonnes by 2029-30**.
 - **Per-Capita Consumption:** Maintain consumption level of **19 kg/person/annum till 2025-26**.
 - **Focus Regions:** Special focus is given to the [North-East region](#) and the [Andaman and Nicobar Islands](#) to boost oil palm cultivation and CPO production.
- **Key Features:**
 - **Price Assurance:** It introduces [Viability Price \(VP\) mechanism](#) to protect farmers from international **price fluctuations**.
 - The viability funding will be **paid directly** to the farmers accounts in the form of [DBT](#).
 - **Enhanced Assistance:** Increase in assistance for planting material from **Rs 12,000/ha to Rs 29,000/ha**.
 - Special assistance of **Rs 250 per plant** for rejuvenating old gardens.
 - **Special Provisions for North-East and Andaman:** Additional **2% of the CPO price** will be borne by the government to ensure **parity** in farmer payments across regions.
 - Special provisions are being made for **half moon terrace cultivation**, [bio fencing](#) and **land clearance** along with **integrated farming**.

Note:

- Half-moon terracing is a **soil rearrangement technique** that involves building **semicircular embankments** to collect and concentrate water runoff for plant growth.
- [Bio fencing](#) means planting lines of **trees on the farm and field boundaries** that give protection against **cattle and wildlife**, act as **windbreaks**, enrich the soil, and **control dust**.

Oil Palm

- **Origin and Yield:** It originated in the [tropical rain forest](#) region of **West Africa**. It is a **comparatively new crop in India** but has the **highest vegetable oil-yielding capability**

per hectare.

- Oil yield from oil palm is **five times higher** than that of traditional oilseeds.
- **Types:** It produces two types of oil.
 - **Palm Oil:** Derived from the [mesocarp](#) of the fruit (45-55% oil content).
 - **Palm Kernel Oil:** Obtained from the [kernel](#), a source of lauric oils.
- **Oil Palm Cultivation:**
 - **Major States:** **Andhra Pradesh**, Telangana, and Kerala (98% of total production).
 - **Other Key States:** **Karnataka**, Tamil Nadu, Odisha, Gujarat, Mizoram, Arunachal Pradesh, Assam, Manipur, and Nagaland.
- **Potential:** India has a total potential area of around **28 lakh hectares (ha)** but **only 3.70 lakh hectares** is under oil palm cultivation.
- **Imports:** India is the **world's largest palm oil importer** with palm oil imports of **9.2 million tonnes** in 2023-24.
 - **60% of total edible oil imports** consist of palm oil.
 - India buys palm oil mainly from **Indonesia, Malaysia and Thailand**.

UPSC Civil Services Examination, Previous Year Questions (PYQ)

Prelims

Q. With reference to 'palm oil', consider the following statements: (2021)

1. The palm oil tree is native to Southeast Asia.
2. The palm oil is a raw material for some industries producing lipstick and perfumes.
3. The palm oil can be used to produce biodiesel.

Which of the statements given above are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (b)

Q. Consider the following statements: (2018)

1. The quantity of imported edible oils is more than the domestic production of edible oils in the last five years.
2. The Government does not impose any customs duty on all the imported edible oils as a special case.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (a)

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