

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3447
ANSWERED ON:15.05.2006
PRODUCTION OF PALM OIL, OILSEEDS
Shakya Shri Raghuraj Singh

Will the Minister of AGRICULTURE be pleased to state:

- (a) the percentage of production of palm oil, oilseeds against the targets fixed during the last three years State-wise;
- (b) whether vegetable oil is being imported from the neighbouring countries on zero percent duty which severely affects Indian Vegetable Oil Industry; and
- (c) if so, the effective steps taken by the Government to make this industry immune from such impact?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) : The State-wise percentage of production of oilseeds against the corresponding targets for the last three years is given in Annexure-I, and the State-wise production of palm oil for the last three years is given in Annexure II.

(b) & (c) : Vanaspati is being imported from Sri Lanka and Bhutan under Free Trade Agreements (FTA) with these two countries and from Nepal under Trade Agreement with Nepal for zero duty import. Such imports have contributed in keeping the edible oil prices depressed in the country, apart from the effect on prices due to increased oilseed production and substantial level of imports from other countries. However, under both India-Sri Lanka FTA and India-Nepal Treaty of Trade, the duty free access is subject to fulfillment of value addition requirements prescribed in the Agreement/ Treaty. In the case of Nepal, import of vanaspati is further subject to annual quota which is canalized through State Trading Corporation (STC) to ensure its equitable distribution all over India. In the India-Bhutan Agreement on Trade and Commerce, value addition requirement is not prescribed, but imports are insignificant. All the Agreements also have provisions for consultations to resolve trade related issues.

Further, following steps have been taken to improve the health of vegetable oil industry :

- (i) Import duty on certain vegetable oils of edible grade intended for manufacture of refined oil/ vanaspati is levied at a concessional rate.
- (ii) Import duty on certain crude vegetable oils of edible grade has been kept low as compared to refined oils to facilitate raw material availability.
- (iii) To encourage production of solvent extracted oils in the country and to promote export of extractions, excise duty on food grade hexane has been reduced from 32% to 16%.
- (iv) Excise duty on refined edible oils/ vanaspati/ intersterfied fat etc. has been withdrawn.
- (v) Import duty on vanaspati, bakery shortening, intersterfied fat, margarine has been raised from 30% to 80%.

Annexure - I

Statement referred to in reply for part (a) of the Lok Sabha Unstarred Question No. 3447 on production of palm oil, oilseeds due for reply on 15.05.2006 State-wise percentage of production of oilseeds against the targets for 2002-03 to 2004-05

(in lakh tonnes)

State	2002-03		2003-04		2004-05	
	Target	Achievement	Target	Achievement	Target	Achievement

Andhra Pradesh	30.50	12.56	41.19	26.80	16.14	60.23	25.89	22.09	85.34
Assam	1.95	1.49	76.41	1.65	1.57	95.15	0.00	1.47	-
Bihar	4.55	1.05	23.05	4.00	1.24	30.95	2.02	1.17	57.87
Chhattisgarh	0.00	1.01	-	2.10	1.27	60.48	1.10	1.24	112.45
Gujarat	33.70	16.83	49.94	31.40	56.65	180.41	30.39	29.87	98.29
Haryana	10.20	7.12	69.77	9.50	9.98	105.03	8.10	8.41	103.77

Jammu & Kashmir	0.50	0.27	53.20	0.70	0.42	60.14	-	1.24	-
Jharkhand	0.00	0.08	-	0.15	0.08	53.33	0.00	0.07	-
Karnataka	18.05	10.74	59.49	14.08	9.34	66.34	17.61	15.70	89.15
Madhya Pradesh	58.35	31.44	53.88	57.75	56.24	97.38	64.94	47.98	73.88
Maharashtra	26.85	23.56	87.75	25.00	29.21	116.84	30.44	27.44	90.15
Orissa	6.20	0.94	15.11	4.92	1.57	31.89	1.83	1.80	98.09
Punjab	3.35	0.91	27.13	2.08	1.04	49.90	1.55	1.00	64.77
Rajasthan	34.30	17.55	51.15	32.22	39.97	124.05	38.46	55.41	144.07
Tamilnadu	18.70	7.60	40.64	15.80	9.64	60.99	19.57	10.61	54.22
Uttar Pradesh	17.00	8.81	51.85	13.37	9.28	69.39	14.44	9.52	65.95
Uttranchal	0.00	0.23	-	0.28	0.34	121.43	0.00	0.38	-
West Bengal	4.90	4.76	97.16	4.30	6.51	151.3	5.66	6.53	115.35
All-India	270.00	148.38	54.96	247.00	251.86	101.97	262.00	243.54	92.95

Annexure-II

Statement referred to in reply for part (a) of the Lok Sabha Unstarred Question No. 3447 on production of palm oil, oilseeds due for reply on 15.05.2006

State-wise Production of Palm Oil during 2001-02 to 2003-04

(Tonnes)

State	2001-02	2002-03	2003-04
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Andhra Pradesh	18974.00	18960.00	21457.47
Karnataka	573.58	606.64	645.64
Tamil Nadu	0.00	0.00	0.00
Gujarat	2.94	2.94	2.83
Orissa	0.00	0.00	0.00
Goa	243.00	330.85	323.54
Tripura	0.00	0.00	0.00
Assam	0.00	0.00	0.00
Kerala	980.00	6572.00	6387.19
A & N Islands	1840.32	1696.00	0.00
Total	22613.84	28168.43	28816.67