

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.
- 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.
- This is projected to move up in the next.
- 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.
- Import duties on palm oil have been kept low enough to enable it to outdo indigenous oils.
- 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.
- The remaining ones are also operating at below their capacities.
- Some of the units are surviving by mixing low-priced palm oil with superior indigenous oils and selling them.
- **Overdependence** - The risk of excessive reliance is that any disruption in supply can cause a huge upset in the Indian market.
- **Unrest** - The recent uprising of the Patidars (Patels) is partly due to this issue.
- They are predominantly groundnut growers in Gujarat and soybean farmers in Madhya Pradesh.
- The erosion of profitability of growing oilseeds due to the ill-advised policies is leading to unrest in the community.
- 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.
- It involves -
 1. Promoting better technology and greater use of yield-enhancing inputs.
 2. Laying down an optimum band, within which local prices of oilseeds and edible oils can be allowed to fluctuate freely.

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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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