

India is the 7th largest country, 5th largest economy and has a significant agricultural sector, however it imports nearly 16 million tonnes of edible oil each year, 40% of which is Palm oil. This costs us valuable Foreign exchange (nearly 70,000 Crores) and hence inexcusable.

ways to rectify this situation

(i) Increase domestic output.

- Currently India produces 9 million tonnes of edible oil of which Palm oil is 0.3 million tonnes. Oil Palm is more efficient at producing edible oil with limited area. So more concentration should be placed on Palm while other edible oil crops like Saffola, Sunflower and groundnut should also be encouraged.
- Contract farming where the Industry pays monthly installments and Government handholding for the 5-7yr. gestation period will encourage paddy farmers to switch over.
- Increasing the MSP to match the volatile prices will encourage farmers.
- Edible oil can also be used to support the petroleum blending initiative as Grade 1 Ethanol can be produced from oil seeds.

(ii) Increasing tariffs

Post 1995, liberalization has seen dumping of agricultural products into India markets. With WTO compliance, India.

cannot raise tariff too much, but other avenues like anti-dumping rules must be used to reduce agricultural imports from world edible oil producers like Indonesia & Malaysia.

Problems encountered

- As seen in foreign countries, edible oil, particularly oil Palm farming has led to deforestation. India's plan to turn Andaman Islands into Palm oil farms is thus alarming. Care should be taken to preserve the forests of India.
 - Due to sedentary life style, Non Communicable diseases like diabetes, high blood pressure and obesity are on the rise in India. Palm oil will exacerbate these conditions & thereby causing financial stress on households.
 - Edible oil crops are water intensive, hence require drip irrigation which is costly.
- In conclusion a balanced and multifaceted approach based on sound scientific study is required to alleviate the edible oil crisis of India. The Athmanikar spirit should be taken up in conjunction with Biodiversity and the Self development goals of the UN.