

Oil Palm

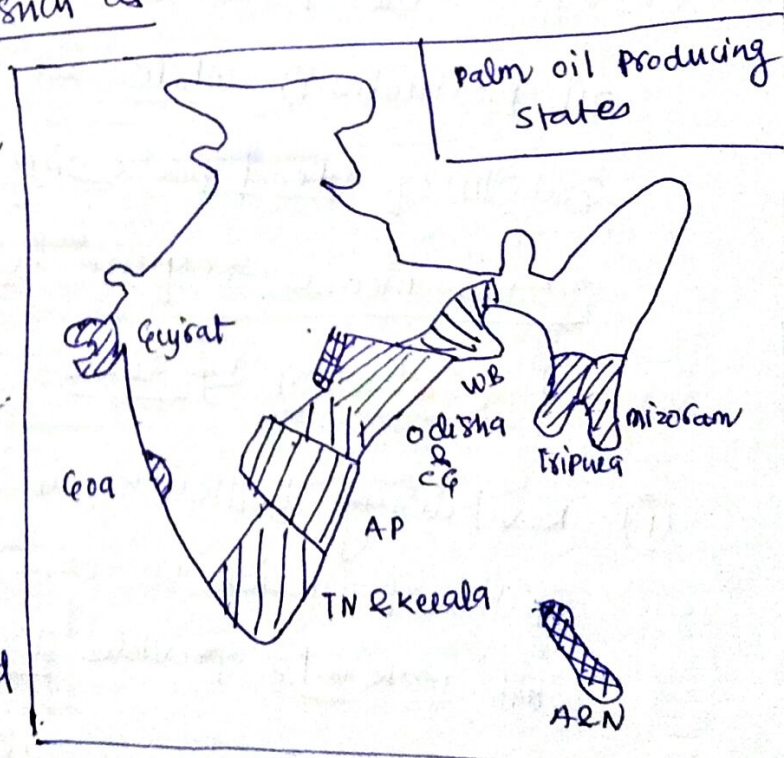
With the rise of disposable income the demand of edible oil specially palm oil is also increasing and in the absence of domestic production of palm oil, the import is also increasing. Hence, self reliance of palm oil is the need of the hour.

India imported around \$10 bn value of palm oil, from Malaysia and Indonesia in 2018-19, despite having potential to meet 80% of 15mt oil palm demand. These are states as shown in the map, which produce palm oil but with many bottlenecks such as

(i) Geography - Although it can be grown upto 20° latitude but 0° latitude is most suitable, India lies outside.

(ii) Irrigation - Palm oil need continuous irrigation, India's large portion is rain fed and unirrigated.

(iii) long gestation of palm oil around 4 year discouragement farmers to take initial step when more lucrative options like rice, wheat are available.



(iv) land holding - Being a plantation crop, palm oil require large tracks of land, while fragmented land does not suite it.

(v) Unstable policies - Recently government banned refined oil import from Malaysia & other countries, and later revived it. It does not have impact on farmers since India still import large amount of crude palm oil.

(vi) No private participation, step motherly treatment from government vis a vis rice & wheat, poor seed replacement sation are all against palm oil production.

India shares only about 0.38% of world palm oil production, while it is fourth largest consumer, growth of Food processing Industries and vision of doubling farmer income require following steps to double palm oil production by 2022

(i) Revitalising bottlenecks in schemes such as PM ASHA, National mission on oil seeds and palm (NMOOSP) which still lack to provide nudge to farmers.

(ii) contract farming - model contract farming act should be implemented by states to provide direct income security to farmers.

(iii) Traditional problems like - irrigation, land consolidation & skewed MSP should be reformed.

(iv) Environment - palm oil production is infamous for the loss of equatorial forests & wild life, government should also take care of it.

(v) land expansion for palm oil with the cooperation of state government is also needed.