

PRODUCTION OF CRUDE PALM OIL

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Edible oil imports are required to bridge the gap between domestic production and consumption till self-sufficiency in edible oils is achieved. Government of India is implementing a centrally sponsored scheme National Mission on Edible Oils - Oil Palm (NMEO-OP) for the period 2021-22 to 2025-26. NMEO-OP strives to boost oil palm cultivation in the country through area expansion. Till March 2025, 1.89 lakh hectares area had been covered under NMEO-OP, taking the total coverage under oil palm in the country to 5.56 lakh hectares. Crude Palm Oil (CPO) production has risen from 1.91 lakh tonnes in 2014-15 to 3.80 lakh tonnes in 2024-25.

To ensure remunerative prices of Fresh Fruit Bunches (FFBs) to farmers, a system of declaring Formula Price every month (by states concerned) are also followed. Industries linked with a particular area procure the FFBs from the farmers on declared monthly Formula Price. Further, to mitigate the price risk of farmers due to sudden falling of international prices, a system of declaring Viability Price by the central Government is also followed and the Viability Gap Payment (VGP) is provided to the farmers in case the Formula Price drops below the Viability Price of the particular year.

With Oil Palm plantation under the mission starts fruiting from 4th year and achieving optimum yield from 8th year onwards, production is expected to get a boost in the coming years leading to increased CPO output and reducing reliance on CPO imports.

This information was given by Minister of State for Agriculture and Farmers Welfare, Shri Ramnath Thakur in a written reply in Lok Sabha today.

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