

Brief Note on Oil Palm in India

Oil palm cultivation assumes significance for augmenting the indigenous availability of edible oil as it is the highest oil yielding perennial crop. With good planting material, irrigation and proper management, there is a potential for production of 20- 25 tonne Fresh Fruit Bunches (FFBs) per hectare on attaining the age of 8-9 years. This in turn is capable of yielding 4-5 ton of palm oil and 0.4-0.5 tonne of palm kerneloil (PKO). In comparative terms, yield of Palm Oil is 5 times the yield of Edible Oil obtainable from traditional Oilseeds. This perennial crop has economic life span of 30years.

In view of the importance and significance of oil palm cultivation, DAC&FW had taken up Technology Mission on Oilseeds & Pulses (TMOP) in 1991-92 in the potential states. A comprehensive Centrally Sponsored Scheme Oil Palm Development Programme (OPDP) was taken up during Eighth & Ninth Plan. During the Tenth and Eleventh Plan, Government of India had provided support for oil palm cultivation under Centrally Sponsored Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM). To boost oil palm cultivation, Government of India had implemented a Special Programme on Oil Palm Area Expansion (OPAE) under RKVY with an objective to bring 60,000 ha area under Oil Palm cultivation during the year 2011-12. It was continued till March, 2014.

During 2014-15, a new National Mission on Oilseeds and Oil Palm (NMOOP) had been launched under which Mini Mission-II (MM-II) was dedicated to oil palm area expansion and productivity increases and continued upto 2017-18. MM-II of NMOOP was implemented in 12 States viz; Andhra Pradesh, Telangana, Chhattisgarh, Tamil Nadu, Kerala, Gujarat, Karnataka, Odisha, Mizoram, Nagaland, Assam, Arunachal Pradesh. The funding pattern of this programme was 50:50 in between of Government of India and State Governments during the year 2014-15, which has been revised to 60:40 in case of general States and 90:10 in case of North-Eastern States and hill States from 2015-16.

From 2018-19, the NMOOP was merged with National Food Security Mission (NFSM) - Oilseeds & Oil Palm. NFSM-Oil Palm is dedicated to oil palm area expansion

and productivity increases. Presently, this programme is being implemented in 12 states namely Andhra Pradesh, Telangana, Chhattisgarh, Tamil Nadu, Gujarat, Karnataka, Odisha, Mizoram, Nagaland, Assam, Arunachal Pradesh and Manipur. Under the programme, the financial assistance is being provided to the farmers @ 85% cost of the planting material of Rs. 12,000/ha for entire land during the first year for plantation and Rs. 10,000/ha/year for maintenance cost of new plantations and purchasing inputs for intercropping for four years during gestation period for entire land, installation of drip-irrigation systems as per PMSKY, for diesel/electric pump-sets 50% of the cost limited to Rs. 27,000/pump-set for SC/ST/Small & Marginal Farmers, Women and NE states beneficiaries and Rs. 22,500/pump-set for other beneficiaries, 50% cost limited to Rs. 50,000/unit for bore-well and water harvesting structures/ponds 50% cost limited to Rs. 1.50 lakh per unit in plain area and Rs. 1.80 lakh per unit in hilly areas, for construction of vermi-compost units 50% of the cost limited to Rs. 15,000/unit and for purchase of machinery & tools 50% of the cost limited to Rs. 1500/- per oil palm cutter, Rs. 15,000/- per wire-mesh, Rs. 10,000/- per motorized chisel, Rs. 3000/- per unit for aluminium portable ladder, Rs. 20,000/- per unit of SC/ST/Small Farmers/Women/NE states & Rs. 16,000/- per unit for other beneficiaries as per SMAM norms and 40% of the cost limited to Rs. 1.80 lakh for other beneficiary and Rs. 2.25 lakh for SC/ST/Small Farmers/Women/NE states for small tractor of 20HP with trolley. In case of North Eastern States, in addition to these components, 50% of the cost limited to Rs. 250.00 lakhs is being provided to the State Government for set up a new oil palm processing mill with capacity of 5 MT per hour through the State Government agencies / cooperative sector / Government recognised farmers association, etc and 50% of the actual cost estimated by PWD/CPWD limited to 20% of the total outlay of the state under AAP for NFSM-Oil Palm for roads from oil palm field to nearest FFB collection / processing centre.

Various Committees constituted by Department of Agriculture, Cooperation and Farmers Welfare (DAC&FW) have identified 27.99 lakh ha area suitable for oil palm cultivation in the 22 states of the country. Major potential states are Andhra Pradesh, Arunachal Pradesh, Assam, Chhattisgarh, Karnataka, Kerala, Mizoram, Odisha, Telangana, Gujarat, Goa, Nagaland and Tamil Nadu. So far an area of 3.69 lakh ha has been covered under oil palm in these states with FFBs and CPO production of 16.89 lakh MT and 2.72 lakh MT respectively.

Recently, a new Centrally Sponsored Scheme namely, National Mission on Edible Oil (NMEO)-Oil Palm (NMEO-OP) has been launched by Government to promote oil palm cultivation for making the country Aatamnirbhar in edible oils with special focus on North-Eastern States and A&N Islands. The Mission will bring additional area of 6.5 lakh ha under Oil Palm plantation with 3.28 lakh ha in north- eastern states and 3.22 in Rest of India in next 5 years from 2021-22 to 2025-

26. Under NMEO-OP the cost will be shared as 60:40 between the Central and the State Government for General states and 90:10 for NE states and UT, 100% for central agencies.

The major focus of the Mission is to provide Viability price of FFBs to the farmers linked with assured procurement by the industry with simple price fixing formula. Central government will compensate farmers through viability gap payment, if price paid by industry is below viability price up to October 2037.

The Government has assessed that a total area of around 28 lakh hectares in the country and around 9.62 lakh hectares for the North East alone fit for oil palm cultivation. Out of the total assessed area, only 3.69 lakh hectares is under oil palm cultivation including NE states at present only of which 1.8 lakh ha is fruiting area. Hence there is a lot of potential for the growth of oil palm in the country.

The mission will result in increase the area of oil palm by 6.5 lakh hectares by 2025-26 and 16.71 lakh ha by 2029-30. The current fruiting which is 1.89 lakh hectares will be increase to 2.80 lakh hectares by 2025-26 and above 8.50 lakh hectares by 2029-30. The expected FFBs production will be 75.19 lakh tonnes by 2025-26 and 170.00 lakh tonnes by 2029-30. The CPO production is expected to increase upto 28.11 lakh tonnes by 2029-30.

The total estimated cost of the NMEO (Oil Palm) is ₹ 8844 crore GOI share ₹ 2196 crore state share, and total of ₹ 11,040 crore . Viability Gap funding with a cost of ₹1163 crore. (Rest of India- ₹ 1144 crore and ₹ 19.00 crore for NE states and Andaman& Nicobar Islands till 2025-26.

During 2021-22, GoI has approved Annual Action Plans (AAPs) of the 14 states for total amount of Rs. 127.53 crores consisting of Rs. 89.13 crore as Central Share

and Rs. 38.40 crore as State Share to achieve Oil Palm Area Expansion target of 31548 ha under NFSM-OP. The year-wise fund allocation and releases under NFSM-OP from 2018-19 to 2021-22 are given below:

(Rs. in crores) GoI Share

Year	Allocation	Release
2018-19	95.84	60.11
2019-20	63.35	36.66
2020-21	73.50	46.56
2021-22	89.13	29.77

- Under NMEO-OP, GoI has approved the Revised AAPs of the 12 States for the total amount of Rs. 28247.79 lakhs consisting of Rs. 20461.53 lakh Central share and of Rs. 7786.26 as State Share for the Coverage of 29422 ha area under Oil Palm cultivation during the remaining period of the 2021-22.
- GOI has released 1st installment of Rs. 700.73 lakh for implementation of programme in Telangana State.
