



Revitalising the Oilseeds Sector

This editorial is based on [“How to revitalise the oilseeds sector”](#) which was published in the Hindu on 16/02/2023. It discusses steps that need to be taken to increase domestic production of oilseeds to curb costly imports.

For Prelims: Oilseeds Sector, Climate Change, Non-Performing Assets, Public Distribution System, Foreign Direct Investment, Edible oil

For Mains: Government Policies & Interventions, Effect of Policies & Politics of Countries on India's Interests, Growth & Development

India is **one of the largest consumers of vegetable oils** in the world, with a rapidly growing population and increasing demand for edible oils. However, the country's domestic production of oilseeds has not kept pace with this demand, leading to a heavy dependence on imports.

India imports **vegetable oil worth more than USD 14 billion to meet chronic domestic shortages**, but it intends to boost domestic production and reduce reliance on imports by increasing domestic production.

In the near future, it is necessary for the country to develop significant self-sufficiency, but for the time being, imports are unavoidable. However, the current import strategy prioritizes the benefit of consumers and disregards the welfare of local oilseed farmers.

In order to be effective, a **holistic policy must judiciously balance the interests of consumers and growers**. There is a **need for comprehensive policy action** due to looming risks such as land constraints, water shortages, and [climate change](#).

Why is India not Self-Sufficient in Oilseed Production?

- **Land Fragmentation:**
 - One of the major challenges in oilseed production in India is land fragmentation.
 - **Indian farmers have small landholdings**, which makes it difficult for them to adopt modern farming techniques, machinery and technology.
- **Low Productivity:**
 - Oilseed yields in India are **relatively low compared to other countries**. The productivity of oilseeds is hampered by poor seed quality, lack of irrigation facilities, inadequate use of fertilizers, and insufficient research and development efforts.
- **Climate Variability:**
 - The **climate in India is diverse, and the crop productivity is highly dependent on the availability of water**, temperature, and other environmental factors.

- India has witnessed significant changes in rainfall patterns, which have adversely affected oilseed production.
- **Lack of Storage and Distribution Infrastructure:**
 - India has **limited storage and distribution infrastructure**, which results in significant post-harvest losses.
 - This, in turn, discourages farmers from producing oilseeds, as they do not have the necessary infrastructure to store and sell their produce.
- **Dependence on Imports:**
 - **India is heavily dependent on imports for edible oils**, and this has affected the competitiveness of the domestic oilseed industry.
 - Low import tariffs and high domestic taxes have also made imported oil cheaper than domestically produced oil.
- **Lack of Government Support:**
 - The Indian government has **not provided enough support to the oilseed sector**, in terms of research and development, extension services, and financial support.
 - The government has also not encouraged private sector investment in the sector.

What are the Related Initiatives taken?

- **National Mission on Edible Oil-Oil Palm (NMEO-OP):**
 - NMEO-OP is a new Centrally Sponsored Scheme. It is proposed to have an additional 6.5 lakh hectares for palm oil by 2025-26.
- **Oil Palm Area Expansion under Rastriya Krishi Vikas Yojana:**
 - It is helping **increase the minimum support prices of oilseed crops**, creation of buffer stock for oilseeds, cluster demonstration of oilseed crops, etc are being implemented by the government to boost domestic production.
- **Pradhan Mantri Fasal Bima Yojana (PMFBY):**
 - The PMFBY is an insurance scheme for farmers, which provides coverage against crop losses due to natural calamities, pests, and diseases. The scheme covers all oilseeds crops and provides financial security to farmers in case of crop failure.
- **Technology Mission on Oilseeds:**
 - Launched in 1986, the Technology Mission on Oilseeds aimed at increasing the production of oilseeds through the use of advanced technologies and scientific methods.
- **Paramparagat Krishi Vikas Yojana (PKVY):**
 - The PKVY is a **scheme that promotes organic farming in the country**.
 - Under the scheme, farmers are encouraged to adopt organic farming practices for various crops, including oilseeds.

How can India boost Domestic Production?

- **Enforcing Area Expansion:**
 - Encourage area expansion through incentivized crop rotation in high-input grain mono-cropping regions like Punjab, Haryana, and western Uttar Pradesh.
 - By promoting crop rotation, farmers in these regions can grow more oilseeds, increasing their yields.
- **Adopting Multiple Technologies:**
 - **Incorporate multiple technologies**, such as information technology, satellite technology, nuclear agri-technology, and **nanotechnology**.
 - By adopting these technologies, farmers can increase their yields, improve the quality of their crops, and optimize their land and water usage.
- **Work towards a Breakthrough in Seed Technology:**
 - Investing in research and development to improve seed technology can lead to the creation of high-yielding and disease-resistant seeds, which can boost the production of oilseeds.
- **Implementing a Robust Procurement System:**
 - A robust procurement system can provide a guaranteed market for farmers, thereby

encouraging them to grow more oilseeds.

▪ **Tapping the Potential of Non-Conventional Oil Sources:**

- Tap the huge potential of non-conventional oil sources like cottonseed, rice-bran, and tree-borne oilseeds. By utilizing non-conventional oil sources, the country can diversify its oilseed production and reduce its dependence on traditional sources.

▪ **Regulating and Monitoring Imports:**

- Currently, policy interventions are often reactive and knee-jerk, and lack supportive data.
- A simple administrative system of '**Import Contract Registration**' and **monitoring of arrivals** will remove the opacity in trade and facilitate data-driven decisions by India.

▪ **Cutting down Credit Period to 45 days:**

- Long credit period of 90-120-150 days encourages over-trading and speculation.
- **Some Indian importers are already in a serious 'import debt trap'** because of rampant over-trading. Also, Bank loans to importers can turn into **Non-Performing Assets (NPAs)** anytime.
- Reduced credit period will automatically slow the pace of import and make the importer more responsible and accountable.

▪ **Bring Cooking Oil under PDS:**

- Support vulnerable sections of consumers with supply of edible oil under welfare programmes at subsidised rates.
 - **Public Distribution System** and private trade supplies can co-exist and help advance consumer interest.

▪ **Creating Processing Industry Modernisation Fund:**

- Many of the 15,000 oilseed crushing units and 800 solvent extraction plants are **intrinsically inefficient in terms of scale, equipment, technology and productivity.**
- A **modernised industry will capture greater value and create potential** to attract **foreign direct investment.**

Drishti Mains Question

What are the factors contributing to India's inability to achieve self-sufficiency in oilseed production, and what steps can be taken to increase domestic production and reduce the country's reliance on imports?

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Prelims

Q1. Consider the following statements: (2018)

1. The quantity of imported edible oils is more than the domestic production of edible oils in the last five years.
2. The Government does not impose any customs duty on all the imported edible oils as a special case.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (a)

Q2. Other than resistance to pests, what are the prospects for which genetically engineered plants have been created? (2012)

1. To enable them to withstand drought
2. To increase the nutritive value of the produce
3. To enable them to grow and do photosynthesis in spaceships and space stations
4. To increase their shelf life

Select the correct answer using the codes given below:

- (a) 1 and 2 only
(b) 3 and 4 only
(c) 1, 2 and 4 only
(d) 1, 2, 3 and 4

Ans: (c)

Exp:

- Genetically modified crops (GM crops or biotech crops) are plants used in agriculture, the DNA of which has been modified using genetic engineering methods. In most cases, the aim is to introduce a new trait to the plant which does not occur naturally in the species. Examples of traits in food crops include resistance to certain pests, diseases, environmental conditions, reduction of spoilage, resistance to chemical treatments (e.g., resistance to a herbicide), or improving the nutrient profile of the crop.
- Some potential applications of GM crop technology are:
 - Nutritional enhancement - Higher vitamin content; more healthful fatty acid profiles; Hence, 2 is correct.
 - Stress Tolerance - Tolerance to high and low temperatures, salinity, and drought; Hence, 1 is correct.
 - There is no such prospect that enables GM crops to grow and do photosynthesis in spaceships and space stations. Hence, 3 is not correct.
 - Scientists have been able to create certain genetically modified crops which stay fresh for a month longer than usual. Hence, 4 is correct. Therefore, option (c) is the correct answer.

Q3. Bollgard I and Bollgard II technologies are mentioned in the context of (2021)

- (a) clonal propagation of crop plants
(b) developing genetically modified crop plants
(c) production of plant growth substances
(d) production of biofertilizers

Ans: (b)

Exp:

- Bollgard I Bt cotton (single-gene technology) is first biotech crop technology approved for commercialization in India in 2002, followed by Bollgard II- double-gene technology in mid-2006, by the Genetic Engineering Approval Committee, the Indian regulatory body for biotech crops.
- Bollgard I cotton is an insect-resistant transgenic crop designed to combat the bollworm. It was created by genetically altering the cotton genome to express a microbial protein from the bacterium *Bacillus thuringiensis*.
- Bollgard II technology contains a superior doublegene technology - Cry1Ac and Cry2Ab, which provides protection against bollworms and *Spodoptera caterpillar*, leading to better boll retention, maximum yield, lower pesticides costs, and protection against insect resistance.
- Both Bollgard I and Bollgard II insect-protected cotton is widely planted around the world as an environmentally friendly way of controlling bollworms. Therefore, option (b) is the correct answer.

Mains

Q. How can biotechnology help to improve the living standards of farmers? (2019)

PDF Reference URL: <https://www.drishtias.com/printpdf/revitalising-the-oilseeds-sector>

