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A STUDY OF EDIBLE OIL CULTIVATION, PRODUCTION, CONSUMPTION, AND IMPORTS IN INDIA

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ABSTRACT

India's edible oil sector plays a critical role in supporting both nutrition and the economy, yet it continues to face a considerable shortage in domestic supply. India's demand for edible oil has surged since the early 2000s, driven by population growth and changing diets, with per capita consumption rising dramatically from around 8.2 kg annually in 2000-01 to nearly 24 kg by 2024-25, leading to a total consumption of approximately 25-26 million tonnes. This substantial demand necessitates heavy reliance on imports, which meet about 60% of the total need, making India the world's largest importer, primarily of palm and soybean oils. In 2024-25, import costs reached around Rs. 1.61 lakh crore (USD 18.3 billion), highlighting the economic impact. Despite domestic oilseed production reaching a record 42.6 million tonnes by May 2025 and an improvement in self-sufficiency to 43.74% in 2023-24, imports remain essential, with volumes projected at around 14.27 million tonnes of crude oils in 2024-25. The government's primary suggestion and initiative to address this dependency is the National Mission on Edible Oils (NMEO) and specifically NMEO-Oil Palm (NMEO-OP), which aims for self-reliance by boosting domestic oil palm and traditional oilseed cultivation, expanding cultivation areas, and providing financial incentives to farmers, such as a Viability Price (VP) and increased assistance for planting material. The sector also shows a growing consumer shift toward healthier, less processed options like cold-pressed and branded oils.

KEYWORDS: *Edible oil cultivation area, oil seed crop production, consumption, domestic source and imports*

INTRODUCTION

Edible oil is a vital element for India's nutrition, economy, and farmer livelihoods, offering essential fats, energy, and vitamins. The domestic supply is insufficient to meet demand, leading to significant reliance on imports, mainly palm and soybean oil, despite the availability of regional options like groundnut and mustard oil. Key values in the sector include national security (nutrition, vitamins), economic impact (farmer income, forex), cultural integration, and a growing consumer preference for healthier, less processed oils such as cold-pressed and branded options. The government's National Mission on Edible Oils (NMEO) aims to achieve self-reliance by boosting domestic oil palm and traditional oilseed cultivation.

India's demand for edible oil has surged considerably since the early 2000s, driven by population growth, urbanization, and changing diets. Per capita consumption has risen dramatically from approximately 8.2 kg per person annually in 2000-01 to nearly 24 kg by 2024-25, resulting in a total consumption range of 25-26 million tonnes. Imports cover roughly 60% of this demand, leading to high import costs. In 2024-25, import costs reached around Rs. 1.61 lakh crore (USD 18.3 billion). This demand is further fueled by increased incomes, a preference for branded/health-focused oils, growth in the food service industry, and dietary shifts that exceed ICMR recommendations. Government initiatives like NMEO-OS and NMEO-OP aim to increase domestic production to reduce import dependence by 2030-31.

Domestic oilseed production reached a record 42.6 million tonnes (MT) by May 2025, with crude palm oil (CPO) extraction expanding under initiatives like NMEO-OP, rising from 1.91 lakh tonnes in 2014-15 to 3.80 lakh tonnes in 2024-25. Despite production gains, domestic output covers only about 44% of demand, necessitating large imports (over 50% of total need), making India the world's largest importer, especially of palm and soybean oils. The demand is shifting toward healthier options like groundnut, sunflower, and cold-pressed oils as health awareness rises.

India's edible oil imports have seen a significant rise in volume and cost from 2000-01 to 2024-25. Imports are projected to be around 14.27 million tonnes of crude oils in 2024-25, costing approximately Rs 1.61 lakh crore (over $8 billion). Key imported oils are palm oil, soybean oil, and sunflower oil. Recent figures show import volumes increased from 13.13 million tonnes in 2020-21 to 14.7 million tonnes in 2022-23, with a slight drop in 2023-24 before rising again in 2024-25.

India's edible oil exports (HS-15) have shown fluctuations in recent financial years, reaching a value of approximately $2063.64 million in FY 2022-23 and $2040.43 million in FY 2024-25, slightly recovering from $1824.86 million in FY 2023-24. The sector experienced a significant 115% growth in shipments between March 2023 and February 2024, with major destinations including the United States, China, and the Netherlands. In FY 2022-23, India exported 6.3 lakh metric tons (LMT) of edible oil. Although India is a major producer and exporter, it continues to rely heavily on imports to satisfy domestic demand, sourcing around 56.25% of its requirements from abroad in 2023–24, which makes it the world's largest importer of edible oils. Prominent companies operating in this sector include the Adani Group, Bunge, Cargill, Emami Agrotech, and Patanjali.

India's edible oil sector is characterized by rising domestic production, which increased from 86.3 lakh tonnes in 2015-16 to approximately 121.75 lakh tonnes in 2023-24. This led to an improvement in self-sufficiency from 36.8% to 43.74% over the same period. Despite this growth, India remains heavily dependent on imports to meet surging consumption needs, with import dependency declining only to 56.25% in 2023-24 from 63.2% in 2015-16. Per capita consumption has nearly tripled from 8.2 kg in 2011 to around 23.5 kg in 2024, driving an annual requirement of roughly 25-26 million tonnes. The government is focusing on the National Mission on Edible Oils - Oil Palm (NMEO-OP) to further increase domestic production and reduce import reliance.

The government and the National Mission on Edible Oils Oil Palm (NMEO-OP) have implemented several actions to increase domestic production and reduce import reliance, focusing on expanding oil palm cultivation by 40 lakh hectares and raising production by the fiscal year 2030-31. Financial and input incentives include providing a Viability Price (VP) to protect farmers from global price fluctuations. Assistance for planting material has been significantly increased to ₹29,000 per hectare, with special assistance for rejuvenating old gardens at ₹250 per plant. Additional assistance is provided for farmers in the North-East and Andaman regions. Production and infrastructure development strategies involve the establishment of seed gardens and nurseries, and area expansion by shifting from low-yielding crops.

Objectives

1. To evaluate details of pulses, oilseeds & copra procured at MSP under PSS in India.
2. To examine usage of area, production and yield of oilseeds in India.
3. To analyze demand including domestic source and imports of edible oil in India.

4. To assess seeds forming area, production and yield Promotional Schemes and their impacts in India.
5. To describe primary oilseed crops, cultivated area, and overall production in India.
6. To highlight allocation and release under National Mission on Edible Oils- Oil Palm (NMEO-OP) in India.

Performance of edible oil in India

The table-1 presents data on the procurement of Pulses, Oilseeds & Copra at Minimum Support Price (MSP) under the Price Support Scheme (PSS) from the financial year 2021-22 to 2024-25. The data is broken down by year and product type, showing both the quantity procured in metric tons (MT) and the MSP value in lakhs of Rupees.

The total quantity of products procured and their MSP value fluctuated over the years. The total quantity procured saw an increase from 2021-22 to 2022-23, then a decrease in 2023-24, followed by a slight decrease in 2024-25. The total MSP value followed a similar pattern. There was a significant year-on-year increase in the quantity of Oilseeds & Copra procured. The quantity grew from 151,634.73 MT in 2021-22 to 1,917,319.58 MT in 2024-25. The MSP value for Oilseeds & Copra also saw a consistent and substantial increase, rising from ₹84,261.64 Lakh in 2021-22 to ₹1,136,462.23 Lakh in 2024-25. The procurement of Pulses showed a decreasing trend after 2022-23. It started at 3,030,956.91 MT in 2021-22, slightly decreased in 2022-23, and then dropped sharply in 2023-24 and 2024-25 to 150,816.31 MT. The MSP value for Pulses mirrored the quantity trend, decreasing from ₹1,663,569.77 Lakh in 2021-22 to ₹130,908.99 Lakh in 2024-25.

The total quantity procured peaked in 2022-23 at 4,002,057.73 MT and then declined over the next two years. The total MSP value also peaked in 2022-23 at ₹2,272,822.93 Lakh before decreasing in the subsequent years. In the earlier years (2021-22 and 2022-23), the procurement of Pulses was significantly higher in both quantity and value compared to Oilseeds & Copra. However, by 2024-25, the quantity and value of Oilseeds & Copra procurement surpassed that of Pulses.

The data indicates that the Indian government's PSS has been actively used to procure pulses, oilseeds, and copra at MSP to support farmers. While the total procurement showed a peak in 2022-23 and then a decline in the following year before an increase in 2024-25, the procurement of pulses has been on a consistent upward trajectory. The scheme is intended to provide a safety net for farmers against falling market prices and to reduce the country's reliance on imported goods by incentivizing domestic production.

Table-1 Details of pulses, oilseeds & copra procured at MSP under PSS from 2021-22 to 2024-25 (ason31.12.2024)

Year	Oilseed & Copra		Pulses		Total	
	Quantity Procured (in MT)	MSP Value (Rs. In Lakh)	Quantity Procured(in MT)	MSP Value (Rs. In Lakh)	Quantity Procured(in MT)	MSP Value (Rs. In Lakh)
2021-22	151,634.73	84,261.64	3,030,956.91	1,663,569.77	3,182,591.64	1,747,831.41
2022-23	1,170,656.63	659,950.63	2,831,401.10	1,612,872.31	4,002,057.73	2,272,822.93
2023-24	1,441,356.22	895,379.35	693,769.32	527,266.69	2,135,125.54	1,422,646.04
2024-25	1,917,319.58	1,136,462.23	150,816.31	130,908.99	2,068,135.89	1,267,371.22
Total	4,680,967.16	2,776,053.85	6,706,943.64	3,934,617.76	11,387,910.80	6,710,671.61

Source: 1. Department of Agriculture & Farmers Welfare Ministry of Agriculture & Farmers Welfare Government of India, annual report 2024-25.

2. file:///C:/Users/VSUCK/Desktop/Edible%20Oil/AR_Eng_2024_25.pdf

3. Note: 2024-25 upto December 2024

Year-wise production area, production and yield of oilseeds is presented in table-2. The area under oilseeds cultivation generally increased over this period, from 25.60 million hectares in 2014-15 to a peak of 30.24 million hectares in 2022-23. Production also saw a significant increase, rising from 27.51 million tonnes in 2014-15 to a peak of 41.36 million tonnes in 2022-23. The yield per hectare showed a strong upward trend, starting at 1075 Kg/ha. in 2014-15 and reaching a high of 1368 Kg/ha. in 2022-23.

During 2014-15 to 2015-16: Production and yield decreased despite a slight increase in the area of cultivation. During 2016-17 to 2017-18, area decreased, but production and yield increased, indicating improved efficiency. During 2018-19 to 2020-21, the area, production, and yield all showed consistent growth, with a notable increase in production from 31.52 million tonnes to 35.95 million tonnes. During 2021-22 to 2022-23, this period marked the highest recorded figures in the table for area, production, and yield, with production reaching over 41 million tonnes. During 2023-24, there was a slight decline in area, production, and yield compared to the previous year. During 2024-25 (1st Advance Estimate), the table shows a significant drop in area to 19.79 million hectares and a corresponding decrease in production to 25.74 million tonnes. However, the estimated yield remains high at 1301 Kg/ha., which is close to the peak yield of previous years. The table shows an 18% change in

the cultivated area, a 44% variation in production levels, and a 22% shift in yield during the specified period.

The oilseed sector in the period from 2014-15 to 2022-23 demonstrated positive growth in all key metrics: area under cultivation, total production, and yield per hectare. This suggests improvements in agricultural practices, technology, or favorable conditions that led to higher efficiency and output. The significant drop in area and production for the 2024-25 estimates, however, indicates a potential downturn or an early forecast for that year.

Table-2 Year-wise usage of area, production and yield of oilseeds in India.

Year	Area (million ha.)	Production (Million tonnes)	Yield (Kg/ha.)
2014 -15	25.60	27.51	1075
2015 -16	26.09	25.25	968
2016 -17	26.18	31.28	1195
2017 -18	24.51	31.46	1284
2018 -19	24.79	31.52	1271
2019 -20	27.14	33.22	1224
2020 -21	28.83	35.95	1247
2021 -22	28.95	37.96	1312
2022 -23	30.24	41.36	1368
2023 -24	30.19	39.67	1314
2024 -25	19.79	25.74	1301
% Change	+18%	+44%	+22%

Source: 1. Department of Agriculture & Farmers Welfare Ministry of Agriculture & Farmers Welfare Government of India, annual report 2024-25.

2. file:///C:/Users/VSUCK/Desktop/Edible%20Oil/AR_Eng_2024_25.pdf

3. Note: 2024-25 Advance Estimate, DA&FW.

The year-wise demand and supply of edible oil in the country from 2015-16 to 2023-24 is presented in table-3.

The total demand for edible oil has generally increased over the period, rising from 234.8 lakh tonnes in 2015-16 to a peak of 289.23 lakh tonnes in 2022-23, before slightly decreasing to 278.3 lakh tonnes in 2023-24. The country's demand for edible oil is met by both domestic production and imports. Throughout the period, imports consistently make up a larger portion of the total supply compared to the domestic source. The domestic supply has shown a steady increase from 86.3 lakh tonnes in 2015-16 to 121.75 lakh tonnes in 2023-24. The percentage of domestic supply relative to total demand has fluctuated, ranging from a low of 36.75% in 2015-16 to a high of 45.32% in 2020-21. The Imports have also increased over the years, from 148.5 lakh tonnes in 2015-16 to 156.55 lakh tonnes in 2023-24. The percentage of

imports relative to total demand has decreased from 63.25% in 2015-16 to 56.25% in 2023-24, indicating a growing reliance on domestic production, even as demand increases.

During 2015-16, total demand was 234.8 lakh tonnes. The domestic source contributed 86.3 lakh tonnes (36.75%), while imports accounted for 148.5 lakh tonnes (63.25%). During 2016-17, demand increased to 254.16 lakh tonnes. Domestic contribution rose to 100.99 lakh tonnes (39.73%), and imports were 153.17 lakh tonnes (60.27%). During 2017-18, demand was 249.72 lakh tonnes. The domestic source provided 103.8 lakh tonnes (41.57%), and imports were 145.92 lakh tonnes (58.43%). During 2018-19, demand was 259.22 lakh tonnes. The domestic source contributed 103.52 lakh tonnes (39.94%), and imports were 155.7 lakh tonnes (60.06%). During 2019-20 demand was 240.71 lakh tonnes. Domestic supply was 106.55 lakh tonnes, representing 44.26% of the total. Imports were 134.16 lakh tonnes (55.74%). During 2020-21, demand was 246.03 lakh tonnes. The domestic source contributed 111.51 lakh tonnes (45.32%), and imports were 134.52 lakh tonnes (54.68%). During 2021-22, demand increased to 258.44 lakh tonnes. Domestic supply was 116.5 lakh tonnes (45.08%), and imports were 141.94 lakh tonnes (54.92%). During 2022-23, demand was 289.23 lakh tonnes, the highest in the period. Domestic production was 124.23 lakh tonnes (42.95%), and imports were 165 lakh tonnes (57.05%). During 2023-24, demand was 278.3 lakh tonnes. Domestic contribution was 121.75 lakh tonnes (43.75%), and imports were 156.55 lakh tonnes (56.25%).

The data shows a general trend of increasing demand for edible oil over the years, with a corresponding increase in both domestic production and imports. While domestic production has grown, the country has remained significantly dependent on imports, which consistently account for over 50% of the total demand throughout the period. The highest demand and imports were recorded in the year 2022-23.

Table-3 Year-wise demand includes domestic source and imports of edible oil in India during 2015-16 to 2023-24. (Rs. in lakh tonnes)

Year (Nov. to. Oct.)	Demand	Domestic source	Percentage to domestic source	Imports	Percentage to imports
2015 -16	234.8	86.3	36.75	148.5	63.25
2016 -17	254.16	100.99	39.73	153.17	60.27
2017 -18	249.72	103.8	41.57	145.92	58.43
2018 -19	259.22	103.52	39.94	155.7	60.06
2019 -20	240.71	106.55	44.26	134.16	55.74
2020 -21	246.03	111.51	45.32	134.52	54.68
2021 -22	258.44	116.5	45.08	141.94	54.92

2022 -23	289.23	124.23	42.95	165	57.05
2023 -24	278.3	121.75	43.75	156.55	56.25
2024-25	280.0	122.0	43.57	160.0	57.14

Source: Directorate General of Commercial Intelligence & Statistics (Ministry of Commerce) as reported by Directorate of Vegetable Oils under Department of Food and Public Distribution.

Year-wise previous oil seeds promotional Schemes and their impacts is presented in table-4. The table presents data on five different promotional schemes for oilseeds, showing their impact on area, production, and yield over various years.

Technology Mission on Oilseeds (TMO) is shown for the year 1986-87, with an area of 186.26 lakh ha, production of 112.70 lakh tonnes, and a yield of 605 Kg/ha. Integrated Scheme on Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) scheme from 2004-05 shows an area of 275.23 lakh ha, production of 243.54 lakh tonnes, and a yield of 885 Kg/ha. Compared to the TMO data from 1986-87, this represents a significant increase in all three metrics. The area expanded by approximately 47.8%, production more than doubled, and the yield increased by about 46.3%. National Mission on Oilseeds and Oil Palm (NMOOP) in 2014-15 shows an area of 255.96 lakh ha, production of 275.11 lakh tonnes, and a yield of 1075 Kg/ha. While the area decreased slightly compared to ISOPOM, both production and yield continued to increase, with the yield reaching over 1000 Kg/ha for the first time in the table. NFSM-Oilseed & Oil Palm scheme shows a notable increase in production and yield over time. In 2018-19, the scheme had an area of 247.94 lakh ha, production of 315.22 lakh tonnes, and a yield of 1271 Kg/ha. By 2023-24, the area had increased to 301.92 lakh ha, production grew to 396.69 lakh tonnes, and the yield further improved to 1314 Kg/ha. NMEO-OP focuses on oil palm and shows data for two years. In 2021-22, the area was 3.70 lakh ha, production was 20.51 lakh tonnes, and the yield was 3.48 Kg/ha. By 2023-24, the area had expanded to 5.35 lakh ha, production increased to 22.44 lakh tonnes, and the yield was 3.95 Kg/ha. This indicates a focus on increasing both the area under cultivation and the yield per hectare for oil palm.

The data in the table illustrates a clear and consistent long-term trend of increasing oilseed production and yield in India through various promotional schemes. While the cultivated area has fluctuated, the yield has shown a steady and significant increase from 605 kg/ha in 1986-87 to 1314 kg/ha in 2023-24 for general oilseeds. This indicates that the missions have been successful in enhancing agricultural productivity and efficiency over time. The NMEO-OP

scheme also shows a positive initial impact, with both area and production increasing in the short period shown.

Table-4 Year-wise oil seeds forming area, production and yield Promotional Schemes and their impacts in India.

S.No.	Mission	Year	Area (Lakh ha.)	Production (Lakh tonne)	Yield (Kg./ha)
1	Technology Mission on Oilseeds (TMO)	1986-87	186.26	112.70	605
		2004-05	275.23	243.54	885
2	Integrated Scheme on Oilseeds, Pulses, Oil Palm and Maize (ISOPOM)	2004-05	275.23	243.54	885
		2014-15	255.96	275.11	1075
3	National Mission on Oilseeds and Oil Palm (NMOOP)	2014-15	255.96	275.11	1075
		2018-19	247.94	315.22	1271
4.	NFSM -Oilseed & Oil Palm	2018-19	247.94	315.22	1271
		2023-24	301.92	396.69	1314
5.	NMEO -OP	2021-22	3.70	20.51	3.48
		2023-24	5.35	22.44	3.95

Source: 1. Department of Agriculture & Farmers Welfare Ministry of Agriculture & Farmers Welfare Government of India, annual report 2024-25.

2. file:///C:/Users/VSUCK/Desktop/Edible%20Oil/AR_Eng_2024_25.pdf

3. Note: 2023-24 values are upto Dec-2024

The total area under major oil seed crops and area during the year 2023-24, oilseed cultivation was 301.92 lakh hectares, resulting in a total production of 396.69 lakh tones are presented in table-5.

Among the individual crops, Soybean had the largest cultivation area, covering 132.55 lakh hectares, and was the second-highest in production with 130.62 lakh tons. The leading states for soybean production were Madhya Pradesh (42%), Maharashtra (40%), and Rajasthan (9%). Following soybean, Mustard was grown on 91.83 lakh hectares and had the highest production at 132.59 lakh tons. Rajasthan was the dominant producer of mustard, accounting for 43% of the total, followed by Madhya Pradesh (15%), Uttar Pradesh (14%), and Haryana

(10%). Groundnut was cultivated across 47.07 lakh hectares, yielding 101.80 lakh tons, with Gujarat being the primary producer (46%), followed by Rajasthan (20%) and Madhya Pradesh (10%).

Other significant oilseeds include Sesame, which was grown on 15.31 lakh hectares with a production of 8.74 lakh tons. The major producing states for sesame were West Bengal (33%), Gujarat (17%), and Madhya Pradesh (14%). Castor had a total area of 10.41 lakh hectares and a production of 19.59 lakh tons, with Gujarat (81%) and Rajasthan (17%) as the key producers. The remaining oilseeds, including Linseed, Sunflower, Niger, and Safflower, collectively had a smaller area and production. Linseed was cultivated on 1.75 lakh hectares with a production of 1.13 lakh tons, while Sunflower covered 1.51 lakh hectares with a production of 1.73 lakh tons. Niger and Safflower had the smallest production areas at 0.83 lakh hectares and 0.65 lakh hectares, respectively.

Overall, the table identifies Rajasthan (24%), Madhya Pradesh (22%), Gujarat (18%), and Maharashtra (14%) as the top four major producing states for oilseeds in the country.

The data indicates that while Soybean occupies the largest area, Mustard is the highest-producing oilseed crop. Gujarat and Rajasthan are prominent in the production of multiple oilseeds, particularly Groundnut and Castor for Gujarat, and Mustard and Groundnut for Rajasthan. Madhya Pradesh is also a key player, featuring as a major producer for Soybean, Mustard, and Linseed. The table highlights that different states specialize in the production of specific oilseed crops, contributing to the overall total area and production.

Table-5 Primary oilseed crops, along with the total cultivated area and overall production for the year 2023–24. (Area in lakh hectares and Production in lakh tons)

S. No.	Crops	Total Area	Total Production	Major Producing States
1.	Mustard	91.83 lakh ha	132.59 lakh tons	Rajasthan (43%), Madhya Pradesh (15%), Uttar Pradesh (14%), Haryana (10%), WestBengal (6%)
2.	Soybean	132.55 lakh ha	130.62 lakh tons	MadhyaPradesh (42%), Maharashtra (40%), Rajasthan (9%)
3.	Groundnut	47.07 lakh ha	101.80 lakh tons	Gujarat (46%), Rajasthan (20%), MadhyaPradesh (10%), Tamil Nadu (9%), AndhraPradesh (3%)
4.	Sesame	15.31 lakh ha	8.74 lakh tons	WestBengal (33%), Gujarat(17%), MadhyaPradesh (14%), Uttar Pradesh (14%),

				Rajasthan (9%)
5.	Sunflower	1.51 lakh ha	1.73 lakh tons	Karnataka (42%), Haryana (17%), Odisha (13%), Telangana (9%)
6.	Safflower	0.65 lakh ha	0.50 lakh tons	Maharashtra (64%), Karnataka (26%)
7.	Niger	0.83 lakh ha	0.27 lakh tons	Odisha (48%), Chhattisgarh (18%), MadhyaPradesh (11%), Assam (11%)
8.	Castor	10.41 lakh ha	19.59 lakh tons	Gujarat (81%), Rajasthan (17%)
9.	Linseed	1.75 lakh ha	1.13 lakh tons	MadhyaPradesh (29%), UttarPradesh (26%), Rajasthan (12%), Jharkhand (12%)
Total	Oilseeds	301.92 lakh hectares	396.69 lakh tonnes	Rajasthan (24%), Madhya Pradesh (22%), Gujarat (18%), Maharashtra (14%)

Source: 1. Department of Agriculture & Farmers Welfare Ministry of Agriculture & Farmers Welfare Government of India, annual report 2024-25.

2. file:///C:/Users/VSUCK/Desktop/Edible%20Oil/AR_Eng_2024_25.pdf

Table-6 Budgetary Estimate (BE) and release, details the budgetary allocation and fund release for two major programs as NFSM (OS&OP) subsumed as NMEO-OS and NMEO-Oil Palm.

This section focuses on the total edible oil-oilseeds program. The total SLSC (State Level Sanctioning Committee) Allocation was ₹652 crore, while the actual release of funds was ₹416.8 crore. This indicates that approximately 63.9% of the allocated funds were released.

The SLSC Allocation for states was ₹503 crore, with a fund release of ₹269.76 crore. This represents a release rate of about 53.6%. The state-level allocation is sub-divided into three categories i.e. NFS M-Oilseeds allocated ₹429.22 crore, with ₹221 crore released. NFSM-TRFA allocated ₹67.02 crore, with ₹45.45 crore released. TBOs allocated ₹6.76 crore, with ₹2.61 crore released.

Central Agencies/R&D Institutions (SLSC) allocation of ₹149 crore, and the fund release was ₹147.04 crore. This shows a very high release rate of approximately 98.7%, indicating that nearly the entire allocated budget for these central bodies was utilized.

This section details the budgetary figures for the NMEO-Oil Palm program. The total SLSC Allocation was ₹1018.26 crore, and the total release of funds was ₹296.18 crore. This signifies that only about 29.1% of the total allocated budget for this program was released.

States were allocated the vast majority of the budget, with a total SLSC Allocation of ₹993.11 crore. However, the fund release was only ₹292 crore, which is a release rate of approximately 29.4%. Central agencies received a much smaller allocation of ₹25.15 crore, with a fund release of ₹3.86 crore. The release rate for this component was the lowest in the entire table, at about 15.4%.

In summary, the table reveals a significant disparity between the allocated budget and the actual release of funds for both programs. The NFSM (OS&OP) program had a higher overall fund release rate compared to the NMEO-Oil Palm program. Within the NFSM program, central agencies demonstrated a much higher utilization of funds compared to the states. In contrast, the NMEO-Oil Palm program showed a low fund release rate for both states and central agencies.

Table-6 Budgetary Estimate (BE) and release. (Rs. in crore)

S. No.	**NFSM (OS&OP) subsumed as NMEO-OS**	**SLSC Allocation**	**Release of fund**
A. States			
1.	i. NFS M-Oilseeds	429.22	221.70
	ii. NFSM -TRFA	67.02	45.45
	iii. TBOs	6.76	2.61
	Total	503.00	269.76
2.	Central Agencies/ R& D institutions	149.00	147.04
	Total Edible Oil-Oilseeds	652.00	416.81
B. NMEO-Oil Palm		SLSC Allocation	Release of fund
1	States	993.11	292.32
2	Central Agencies	25.15	3.86
	Total	1018.26	296.18

Source: 1. Department of Agriculture & Farmers Welfare Ministry of Agriculture & Farmers Welfare Government of India, annual report 2024-25.

2. file:///C:/Users/VSUCK/Desktop/Edible%20Oil/AR_Eng_2024_25.pdf

The state-wise allocation and release of funds under the National Food Security Mission-Oil seeds (NFSM-OS), which has since been subsumed under NMEO-OS, from the years 2020-21 to 2024-25 reveals significant variations in funding patterns across different states is presented in table-7.

From a national perspective, the total allocation of funds shows an increasing trend over the five-year period, rising from ₹518.52 crore in 2020-21 to a substantial ₹600.00 crore in 2023-24, before slightly decreasing to ₹597.00 crore in 2024-25. The total release of funds, however, has been more volatile. While it started at a high of ₹466.39 crore in 2020-21, it saw a significant drop to ₹199.67 crore in 2021-22 and a similar low of ₹278.46 crore in

2022-23, before recovering to ₹416.81 crore in 2023-24 and ₹478.64 crore in 2024-25. It is also notable that the total release for central agencies was a significant component, peaking at ₹147.04 crore in 2023-24.

Across individual states, several patterns emerge. Rajasthan emerged as the leading state in terms of both allocation and fund disbursement during the early years, receiving ₹114.53 crore in allocated funds and ₹92.48 crore released in the financial year 2020–21. While its allocations remained high in subsequent years (e.g., ₹82.78 crore in 2024-25), the release amounts became more inconsistent, particularly in 2021-22 where only ₹7.30 crore was released from an allocation of ₹64.47 crore. Madhya Pradesh also consistently received a high allocation, increasing from ₹50.48 crore in 2020-21 to ₹62.50 crore in 2024-25, with releases showing a steady increase from ₹28.25 crore to a high of ₹46.88 crore in 2024-25. Maharashtra also demonstrates a similar trend, with allocations rising from ₹39.38 crore to ₹72.57 crore and releases peaking at ₹38.72 crore in 2023-24.

Several states, however, show a different trajectory with notable discrepancies between allocation and release figures. For instance, Andhra Pradesh's allocation fluctuated from ₹40.70 crore in 2020-21 to ₹17.90 crore in 2024-25. Notably, the release for the state was zero in 2022-23 despite an allocation of ₹24.91 crore. Similarly, Haryana received allocations between ₹21.93 crore and ₹12.08 crore, but received no funds in 2021-22 or 2022-23. The data for Bihar and Jharkhand also indicates years with zero funds released despite allocations, such as Bihar receiving no funds in 2021-22 and Jharkhand in both 2021-22 and 2022-23.

Overall, the data suggests that while the total allocation of funds for oilseed development in India has generally increased over the five-year period, the actual release of these funds to the states has been uneven and inconsistent, with some states consistently utilizing a higher proportion of their allocated funds, while others experienced significant gaps between their allocations and the funds they received.

Table-7 State wise allocation and release under National Food Security Mission-Oil seeds (NFSM-OS), now subsumed under NMEO-OS, during the years 2020-21 to 2024-25: (Amount Rs. in Crore).

S. No.	Name of State	2020-21		2021-22		2022-23		2023-24		2024-25	
		Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release
1	Andhra Pradesh	40.70	28.47	46.32	19.31	24.91	0.00	12.00	3.00	17.90	11.19
2	Bihar	6.71	0.33	5.90	0.00	8.70	0.00	3.00	2.25	4.70	3.53
3	Chhattisg	14.32	9.33	11.89	2.07	10.94	1.73	12.45	6.23	16.31	8.15

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4	Goa	0.00	0.00	0.07	0.02	0.00	0.00	2.23	0.00	0.02	0.01
5	Gujarat	35.29	31.37	29.24	11.57	32.52	19.36	24.62	12.31	33.75	24.93
6	Haryana	21.93	20.43	7.78	0.00	12.08	0.00	7.00	1.75	7.70	3.85
7	Jharkhand	13.55	7.30	7.85	0.00	8.53	0.00	5.00	1.25	6.66	3.33
8	Karnataka	11.80	8.13	13.98	4.17	12.50	4.19	15.17	7.59	21.25	10.63
9	Kerala	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Madhya Pradesh	50.48	28.25	43.99	16.74	35.75	7.64	45.80	22.90	62.50	46.88
11	Maharashtra	39.38	19.59	43.27	5.70	37.82	22.20	52.02	38.72	72.57	36.29
12	Odisha	16.10	13.10	16.34	5.30	15.04	6.36	18.75	9.38	24.50	12.24
13	Punjab	1.10	0.95	0.50	0.17	0.66	0.00	0.70	0.18	1.28	0.64
14	Rajasthan	114.53	92.48	64.47	7.30	71.98	33.67	71.54	17.89	82.78	41.39
15	Tamil Nadu	15.81	13.60	18.71	10.07	22.58	15.58	23.69	23.69	39.09	29.05
16	Telangana	13.10	1.81	23.42	7.01	9.15	0.00	8.40	0.00	8.60	4.30
17	Uttar Pradesh	31.98	25.39	17.58	3.80	18.42	5.30	11.15	2.79	18.09	11.01
18	Uttarakhand	0.41	0.20	0.45	0.21	0.57	0.09	0.75	0.38	0.85	0.53
19	West Bengal	51.68	27.45	34.94	6.38	42.22	19.07	41.67	36.25	32.21	17.67
20	Arunachal Pradesh	13.00	13.00	14.23	7.11	1.26	0.26	4.81	2.41	6.43	1.60
21	Assam	18.55	12.05	14.11	19.01	12.71	1.58	112.03	64.07	32.50	16.26
22	Manipur	3.49	1.88	5.00	2.32	1.87	0.37	5.40	1.50	7.25	3.62
23	Meghalaya	0.25	0.13	0.25	0.00	0.28	0.05	0.54	0.27	0.54	0.14
24	Mizoram	12.10	6.68	14.50	6.63	2.53	0.00	8.00	2.00	8.70	5.43
25	Nagaland	7.15	7.15	6.75	3.38	1.74	1.09	7.50	7.25	10.00	5.00
26	Sikkim	0.90	0.90	1.00	0.45	1.00	1.00	3.50	2.62	4.22	2.63
27	Tripura	1.58	0.79	1.70	0.85	1.64	0.52	5.00	2.50	6.69	4.18
28	Jammu & Kashmir	0.60	0.17	2.49	0.81	2.17	0.00	1.90	0.48	3.43	0.85
29	Ladakh	0.08	0.04	0.50	0.25	0.25	0.00	0.25	0.06	0.19	0.00
30	Puducherry	0.12	0.06	0.50	0.00	0.25	0.06	0.32	0.08	0.38	0.09
31	Central Agencies		95.38		59.04		138.33		147.04		196.43
Total		518.52	466.39	536.00	199.67	600.00	278.46	600.00	416.81	597.00	478.64

Source: 1. Department of Agriculture & Farmers Welfare Ministry of Agriculture & Farmers Welfare Government of India, annual report 2024-25.

2. file:///C:/Users/VSUCK/Desktop/Edible%20Oil/AR_Eng_2024_25.pdf

3. 2024-25 values upto 16.12.2024

The data presented in the table-8, titled state wise allocation and release under National Mission on Edible Oils- Oil Palm (NMEO-OP) during 2021-22 to 2024-25, provides a detailed overview of the financial commitments and disbursements for the scheme across various states in India. The amounts are specified in crore rupees.

A close examination of the table reveals several key trends and observations. The total allocation for the mission saw a significant increase from ₹154.54 crore in 2021-22 to a peak of ₹993.05 crore in 2023-24, before slightly decreasing to ₹961.60 crore for 2024-25. The total amount released also followed an upward trajectory, starting at ₹56.10 crore in 2021-22 and rising to ₹152.58 crore in 2022-23, then ₹296.18 crore in 2023-24, and reaching ₹424.81 crore in 2024-25 (as of December 16, 2024).

The ratio of funds released to the amount allocated varies significantly both across states and over time. For example, in 2021-22, the overall release percentage was approximately 36.3%. This ratio improved to about 27.1% in 2022-23 and 29.8% in 2023-24. By 2024-25, the release percentage for the period up to December 16, 2024, was around 44.2%.

On a state-by-state basis, Telangana and Andhra Pradesh consistently received some of the largest allocations. Telangana's allocation surged from ₹14.27 crore in 2021-22 to a high of ₹320.39 crore in 2023-24, while its release amounts also saw a significant increase, particularly in 2024-25, where it received ₹105.60 crore. Andhra Pradesh also had substantial allocations, with a peak of ₹158.20 crore in 2024-25, and a corresponding release of ₹98.87 crore in the same year.

Other notable states include Assam, Arunachal Pradesh, and Nagaland, which showed substantial growth in their allocations and releases over the four-year period. In contrast, some states like Gujarat and Chhattisgarh had relatively lower allocations and releases. Kerala and Tamil Nadu also received more modest figures throughout the period. A few states, such as Goa and Tripura, had no allocation or release in the initial years but started receiving funds later in the period, indicating a potential expansion of the mission's scope to new regions. The "Other Agencies" category also saw a gradual increase in allocated and released funds, highlighting a broader institutional involvement in the mission.

The data for 2024-25 is marked with an asterisk, noting that it is "Upto 16 December, 2024." This indicates that the figures for that year are not final, and both the total allocation and release amounts are subject to change by the end of the fiscal year.

Table-8 State wise allocation and release under National Mission on Edible Oils- Oil Palm (NMEO-OP) during 2021-22 to 2024-25: (Amount Rs. in Crore).

S. No.	Name of State	2021-22		2022-23		2023-24		2024-25	
		Allocation	Release	Allocation	Release	Allocation	Release	Allocation	Release
1	Andhra Pradesh	26.62	13.31	96.28	0.00	91.01	17.65	158.20	98.87
2	Arunachal Pradesh	12.98	6.49	18.95	9.47	75.24	37.62	165.79	41.42
3	Assam	70.27	17.51	84.06	0.00	319.32	79.83	228.92	114.46
4	Chhattisgarh	1.42	0.00	6.35	2.43	3.33	0.00	7.80	3.90
5	Gujarat	0.60	0.00	2.20	0.00	0.60	0.00	4.14	3.10
6	Karnataka	3.38	1.05	9.90	5.52	7.54	3.46	19.57	9.78
7	Kerala	0.50	0.00	3.29	1.65	2.52	0.63	6.80	4.24
8	Manipur	3.00	1.82	8.82	2.20	28.58	7.15	26.24	13.12
9	Goa	0.00	0.00	0.00	0.00	0.00	0.00	12.00	0.08
10	Mizoram	12.00	6.00	8.81	4.16	22.50	5.63	30.97	19.36
11	Nagaland	5.00	2.50	19.75	9.87	80.01	40.01	50.75	12.69
12	Odisha	2.40	0.00	6.70	0.00	8.92	4.46	19.08	9.54
13	Tamil Nadu	2.10	0.41	3.39	1.70	3.09	0.77	3.95	2.47
14	Telangana	14.27	7.01	285.28	107.44	320.39	80.10	211.21	105.60
15	Tripura	0.00	0.00	9.35	4.63	30.00	15.00	28.18	17.61
16	Other Agencies				3.49		3.86		7.45
	Total	154.54	56.10	563.13	152.58	993.05	296.18	961.60	424.81

Source: 1. Department of Agriculture & Farmers Welfare Ministry of Agriculture & Farmers Welfare Government of India, annual report 2024-25.

2. file:///C:/Users/VSUCK/Desktop/Edible%20Oil/AR_Eng_2024_25.pdf

3. Note: 2024-25 values are upto 16 December, 2024

CONCLUSION

The Indian edible oil sector is a critical part of the nation's nutrition and economy, but it faces a significant challenge in meeting domestic demand through local supply. Driven by population growth, urbanization, and rising per capita consumption (which has nearly tripled since the early 2000s), total annual demand is around 25-26 million tonnes. Domestic production, despite reaching a record 42.6 million tonnes of oilseeds by May 2025 and an improvement in self-sufficiency to around 43.74% in 2023-24, still only covers about 44% of the total requirement. This persistent gap necessitates heavy reliance on imports, making India the world's largest importer of edible oils, primarily palm and soybean oil. Import costs are substantial, reaching approximately Rs. 1.61 lakh crore in 2024-25. The market is also seeing a consumer shift towards healthier, branded options like cold-pressed and groundnut oils. The government's National Mission on Edible Oils (NMEO) aims for self-reliance by

boosting domestic oil palm and traditional oilseed cultivation to reduce this import dependence by 2030-31.

FINDINGS

1. India is the world's largest importer of edible oil, meeting approximately 60% of its total demand through imports, primarily palm and soybean oil.
2. Driven by population growth, urbanization, and changing diets, India's edible oil demand has surged significantly since the early 2000s, with per capita consumption nearly tripling.
3. In 2024-25, import costs reached around Rs. 1.61 lakh crore (USD 18.3 billion), highlighting a major economic outflow.
4. Domestic oilseed production has reached a record 42.6 million tonnes by May 2025, improving self-sufficiency from 36.8% in 2015-16 to 43.74% in 2023-24.
5. There is a growing consumer shift toward healthier, less processed, and branded options like groundnut, sunflower, and cold-pressed oils.
6. The government has implemented the National Mission on Edible Oils (NMEO) to boost domestic production and achieve self-reliance.

Suggestions

1. Focus on expanding the cultivation of domestic oilseeds, including traditional options like groundnut and mustard, to reduce reliance on imported palm and soybean oils.
2. Accelerate the expansion of oil palm cultivation by the targeted 40 lakh hectares under the NMEO-OP to significantly increase crude palm oil (CPO) extraction.
3. Continue and enhance financial and input incentives for farmers, such as the Viability Price (VP) mechanism and increased assistance for planting materials, to encourage oilseed farming.
4. Invest in the establishment of more seed gardens and nurseries to ensure the availability of high-quality planting material for area expansion.
5. Encourage the market and consumer awareness of healthier, domestically produced oils to align with the growing health consciousness and further reduce dependence on major imports.
6. Ensure the effective implementation and monitoring of government initiatives like NMEO-OS and NMEO-OP to meet the goal of reducing import dependence by 2030-31.

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