GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
UNSTARRED QUESTION NO. 852
ANSWERED ON 06/02/2026

DEMAND FOR INCREASE IN IMPORT DUTY TO PROTECT OILSEED FARMERS

852. SHRI S. KALYANASUNDARAM

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has reviewed recent calls from industry bodies to increase import duties on edible/vegetable oils to protect domestic oilseed farmers and processors, in view of cheap imports suppressing local prices;
(b) the rationale for recent duty adjustments, including reductions in the basic customs duty on crude edible oils to ease consumer prices and support refining;
(c) the impact of the current tariff structure on domestic oilseed production, imports and price volatility; and
(d) the steps being taken to balance consumer price stability with incentives for domestic oilseed cultivation and processing?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI JITIN PRASADA)

(a) to (d): In order to harmonize the interests of farmers, processors and consumers, the Government reviews the import and export policy of edible oils from time to time. Import of edible oils are undertaken to bridge the gap between domestic demand and indigenous availability.

The Government of India had increased the Basic Customs Duty on various edible oils to support domestic oilseed prices w.e.f. September 14, 2024. However, consumer prices of edible oil had risen sharply, contributing significantly to inflation in the oils and fats category. The Government of India, to curb rising domestic edible oil prices and food inflation reduced the import duty on crude palm oil from 20% to 10% (effective duty ~16.5%) with effect from May 2025. The duty reduction lowered the landed cost of crude oils, helping moderate domestic prices. The measure also widened the duty differential between crude and refined edible oils from about 8.75% to around 19.25%, incentivising imports of crude oil over refined products. The decision was aimed at encouraging domestic refining, improving capacity utilisation, price stabilisation and strengthening value addition within the country, while discouraging imports of refined oils such as palm oil.

Further, the Government has approved the National Mission on Edible Oils Oilseeds (NMEO-OS) on 3rd October, 2024 to boost domestic oilseed production and to striving towards self-reliance in edible oils in the country. The Mission aims to increase edible oilseed production from 392 lakh tonnes in 2022-23 to 697 lakh tonnes by 2030-31. It also targets an increase in the area under oilseed cultivation from 290 lakh hectares to 330 lakh hectares and an improvement in productivity from1,353 kg per hectare to 2,112 kg per hectare during the same period.

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