

ISOPOM and import of oil seeds

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What is ISOPOM?

To increase production of oilseeds including soybean in the country, the Government is implementing a Centrally Sponsored Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM) in 14 major oilseeds growing States.

Under this scheme, financial assistance is provided to farmers for purchase of breeder seed, and other inputs including free distribution of seed minikits of oilseeds and maize to encourage all types of farmers including small and marginal farmers to grow these crops.

The Government fixes Minimum Support Price (MSP) for agricultural commodities including Soybean on the recommendations of the Commission for Agricultural Costs and Prices (CACP) to ensure remunerative prices to the growers for their produce.

Oilseeds import

Recently, the government decided to raise customs duty on the import of refined palm oil from Malaysia to 50% from 45% for a period of six months, after an investigation by the Directorate General of Trade Remedies (DGTR) found increased imports of the edible oil have caused serious injury to domestic producers.

India imports most of its edible oils from Indonesia and Malaysia. However, since Malaysia has a duty advantage over Indonesia under the India-Malaysia Free Trade Agreement, the import of palm oil has significantly jumped in recent months.

Imports of refined palm oil from Malaysia increased from 626,362 million tonnes (MT) in 2016-17 to 2,596,225 million tonnes in January-June 2019 (annualized), thereby showing an

increase of 314%.

Imports of refined palm oil from Malaysia constituted 15% and 9%, respectively, of the production and consumption in India in 2016-17. The share of Malaysia, however, surged to 54% and 32%, respectively, during the January-June 2019