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Betting Big on Palm Oil

A dialogue on risks and opportunities of NMEO-OP

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Driven by the national mega-vision and ambition of building an Atmanirbhar Bharat, the Indian government has decided to back domestic cultivation of the oil palms in a big way, on a 'national mission mode'. Presently, 55 percent of the 24 million tonnes (mt) of edible oil being consumed in the country annually, is being imported.¹ As production failed to keep pace with the demand, these imports have expanded 174 per cent in the past decade. The government's objective now is to cut down on the burgeoning import bill and hedge against the fluctuating global prices by incentivizing the expansion of area under oil palm cultivation, which has the advantage of producing 10 to 46 times more oil per hectare (ha) compared to other oilseed crops.²

The raised ambition as reflected in the recently launched National Mission for Edible Oils - Oil Palm (NMEO-OP) calls for increasing the area under oil palm cultivation to 1 million ha by 2025-26, from 0.37 million ha presently under-cultivation. This would result in crude palm oil production of 1.12 mt by 2025-26 and up to 2.8 mt by 2029-30. The mission particularly focuses on regions with high rainfall, such as the North-East and the Andamans, and

¹ https://agricoop.nic.in/sites/default/files/Web%20copy%20of%20AR%20%28Eng%29_3.pdf

² <https://pib.gov.in/PressReleasePage.aspx?PRID=1746942>

promises a comprehensive farmer support package including proven elements of price assurance, and increased financial assistance for inputs, crop maintenance and intercropping interventions.

Sure enough, the announcement of NMEO-OP has garnered strong reactions from all quarters. While the mission has been welcomed by producers and economists due to the expected economic gains; others are unsure about the ecological and environmental impact of the intervention at the planned scale. Oil palm plantations have been infamous for leading to deforestation and causing irreversible ecological damage in countries like Indonesia and Malaysia, two of the world's largest palm oil producers. While the government officials claim that the cropping would only be encouraged on existing agricultural lands, the ecological and environmental impacts of the cultivation are generally expected to be adverse.³

Water is one of key concerns pertaining to palm oil cultivation, as each plant is estimated to consume 300-350 liters of water per day. Already stories from Andhra Pradesh are being told of palm oil induced water stress due to depletion as well as increasing concentrations of arsenic and salts. Numerous studies abroad have already established the negative long-term impact of palm oil on water quality and freshwater ecosystems.⁴ Understanding the likely long-term implications, even producer bodies have raised concerns over making palm oil interventions as sustainable as possible.

As for the targeted high rainfall regions under the NMEO-OP, the Andmans and the North-East, these are host to some of the most fragile ecosystems, with a thriving biodiversity. The negative outcomes of red oil palm plantations on local ecology in Little Andaman had forced the government to withdraw expansion plans in the past.⁵ Commentators are unsure of the 'new scientific arguments' being used to support renewed ambitions.⁶ Commentators are further unsure about the social and community implication of this monoculture crop that typically has a long gestation period, and is considered unsuitable for small farmers.

In addition to the unethical production practices, there is also the looming question of the impact of expanding palm oil consumption on human health, in view of the ever-increasing growth in non-communicable diseases. As palm oil is increasingly being boycotted by consumers globally due to the potential health risks, it is unclear why India should be providing fiscal support for its expansion, instead of other healthier edible oil alternatives.

In this backdrop of strong opinions, both for and against, on palm oil expansion in India, the dearth of scientific assessments of its past and expected impacts, and the potential of alternative edible oilseeds, International Forum for Environment, Sustainability & Technology (iFOREST) and Bharat Krishak Samaj (BKS) have come together to co-host a dialogue among key experts on this very contented and important issue. The goal is to create a platform that brings together diverse opinions from government, industry, producers, environmentalists, nutritionists, forestry experts, agriculturists, sociologists, biologists and economists - to get a holistic perspective on the issue of palm oil expansion. The objective is crucial to inform future scientific discourse, policy actions and reactions on the future of edible oilseeds in India.■

³ <https://www.dw.com/en/indias-ambitious-palm-oil-push-triggers-biodiversity-fears/a-59098806>

⁴ Oil palm plantations threaten water quality, Stanford scientists say

⁵ https://www.jstage.jst.go.jp/article/tropics/12/1/12_1_81/_article/-char/en

⁶ <https://thelogicalindian.com/environment/experts-raise-concerns-over-oil-palm-plan-for-northeast-andamans-30478>

