

Cabinet approves Export of all edible oils in bulk (except mustard oil)

Cabinet Committee on Economic Affairs (CCEA)

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The Cabinet Committee on Economic Affairs, chaired by Prime Minister Shri Narendra Modi has approved the proposal of Ministry of Commerce & Industry for removal of prohibition on export of all varieties of edible oils except mustard oil. Mustard oil will continue to be exported only in consumer packs upto 5 Kgs and with a minimum export price of US \$ 900 per tonne.

The CCEA has also approved empowering the Committee, chaired by Secretary, Department of Food & Public Distribution and comprising Secretaries of Department of Commerce, Department of Agriculture, Cooperation & Farmers Welfare, Department of Revenue, Department of Consumer Affairs and DGFT, to review the export/import policy on all varieties of edible oils and consider measures such as quantitative restrictions, prior registration, imposition of Minimum Export Price (MEP) and changes in import duties depending on domestic production and demand, domestic and international prices and international trade volumes.

The Inter-Ministerial Committee, headed by the Commerce Secretary, mandated to review the export of edible oils in consumer packs & calibrate MEP from time to time, has been discontinued.

Impact:

Removing of restrictions on export of all edible oils is likely to provide additional marketing avenues for edible oils and oilseeds and will benefit the farmers by way of better realisation for oilseeds. Allowing export of edible oils may also result in utilization of idle capacity in India's edible oils industry and is a step towards Ease of Doing Business by removing confusion arising out of prohibition on export of edible oils and a plethora of exemptions.

Background:

The production of oilseeds in 2016-17 has seen a quantum jump in comparison to past two years. It is expected that the production of oilseeds in 2017-18 is going to sustain at the

same levels. At present, only certain edible oils can be exported in bulk and other oils only in consumer packs upto 5 Kg with MEP. In order to support growing production of oilseeds and to explore additional avenues for marketing of edible oils, it is required to allow bulk export of all edible oils with the exception of mustard oil, which is an item of mass consumption in India.

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