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NEW DELHI : The government is set to launch an oilseed mission to boost domestic production of oilseeds and reduce import dependence, said NITI Aayog member, agriculture, Ramesh Chand.

India currently makes around 1 trillion worth of edible oil imports every year or nearly half of its demand.

The proposed scheme was devised after the NITI Aayog governing council led by Prime Minister Narendra Modi sought to achieve self-sufficiency in edible oils. At its meeting last month, Modi stressed on the need for diversification in the agriculture sector and to achieve self-sufficiency in edible oils, Mint reported on 8 August.

The scheme is expected to have elements like subsidy to farmers for buying good quality seeds, intervention by the government in the market to support prices when needed, and involvement of the private sector in making available quality seeds.

The move is significant given that the government had to lower the import duty on edible oils several times in recent months to tame food inflation.

The proposed mission will cover oilseeds including mustard, groundnut, sunflower, safflower and coconut, and will focus on improving the yield of oilseeds, ensuring good quality seeds and improving the area under oilseed cultivation, said Chand in an interview.

"There could be some subsidy on seeds. There could be involvement of private sector to ensure that the farmer gets good seeds. Some experts are also arguing that we should import good quality germplasm for high yield. The second aspect is price assurance. In the last two-three years, when we had better price for mustard, the area of land under mustard production has also seen an increase. Price is a good incentive. Remunerative price for oil seed is important," said Chand.

The idea is that when prices of oilseeds go below a level, the government could intervene. Also, putting the land under rice cultivation, which remains unused for eight-nine months in a year after paddy harvesting, can be used to grow oilseeds. In eastern India, on ten million hectares of land, nothing else is sowed after rice is harvested and this land can be used for growing oilseeds, Chand said.

Various ministries are coordinating with the federal policy think tank NITI Aayog in framing the oilseed mission.

A surge in global edible oil prices earlier this year had forced key exporter Indonesia to resort to export curbs while high prices forced India to cut the basic customs duty and cess on select oils.

Higher edible oil output could also help in taming inflation. As per official data, food inflation in August remained at 7.62%, up from 3.11% a year ago.

The Centre currently has schemes such as horticulture mission and mission on edible oils aimed at developing these sectors.

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