

# India's Palm Oil Expansion

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## India's Palm Oil Expansion: Largest Importer of Malaysian Palm Seeds

### Context:

India is one of the **largest consumers of edible oil** in the world, with a major portion of its demand met through **imports**. To address this dependency, the government has initiated the **National Mission on Edible Oils-Oil Palm (NMEO-OP)** aiming to boost **domestic palm oil production**. In this background, India's strategic engagement with **Malaysia**, a leading palm oil producer, has intensified, particularly in importing **germinated oil palm seeds**.

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### Introduction:

India has recently emerged as **Malaysia's largest importer of germinated oil palm seeds**, aligning with its national goal to expand **oil palm cultivation** and reduce **edible oil import dependency**. This marks a significant development in India's agro-economic strategy and reflects the strengthening of India-Malaysia agricultural cooperation.

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### India-Malaysia Palm Oil Trade:

India imported **3.03 million tonnes** of palm oil from Malaysia in **2024**, accounting for **17.9%** of Malaysia's total palm oil exports

India has become the **top destination** for Malaysian palm oil and the **largest importer** of germinated oil palm seeds

This surge supports India's aim to increase palm oil cultivation under the **National Mission on Edible Oils-Oil Palm**

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### Objectives of India's Palm Oil Strategy:

Target to expand oil palm cultivation to **10 lakh hectares** by **2025-26** (from 3.7 lakh ha in mid-2025)

Aim to produce **2.8 million tonnes of crude palm oil (CPO)** annually by **2029-30**

Focus regions include the **Northeastern states** and **island territories** due to their tropical

climate suitability

Under the scheme, targeted FFB (fresh fruit bunches) production is **66 lakh tonnes**

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### **Palm Oil - Global and National Significance:**

Palm oil is the **world's most consumed vegetable oil**

Top global consumers include **India, China, and the European Union**

Palm oil is widely used in the manufacture of **detergents, plastics, cosmetics, and biofuels**

India's increasing demand makes palm oil a vital component in its **food and industrial sectors**

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### **Characteristics of Oil Palm:**

Botanical family - **Arecaceae**

Life span - **25 to over 30 years** with improved varieties

Growth - Erect, slender-stemmed palm reaching **10-15 metres** in height (up to 30 m in some cases)

Prefers **tropical climate** and **adequate rainfall**, suitable for several Indian states

Malaysian commercial seed varieties are **compatible with Indian agro-climatic conditions** with proper irrigation and practices

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### **Malaysia's Technological Contribution:**

Malaysian Palm Oil Board (MPOB) has developed **high-yield palm varieties** through selective breeding

New varieties yield over **30 tonnes of fresh fruit bunches per hectare annually**, nearly double the national average of **15.47-16.73 tonnes/ha (2020-2023)**

Improved varieties have **slower height growth**, making harvesting easier and extending economic life to **30+ years**

Malaysia promotes **sustainably certified palm oil** through the **Malaysian Sustainable Palm Oil (MSPO)** certification

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### **National Mission on Edible Oils-Oil Palm (NMEO-OP):**

Launched to enhance **edible oilseed production** and **reduce import dependency**

Aims to increase oil palm area and **boost CPO production**

Current area under cultivation (2025) - **3.7 lakh hectares**

Target by 2025-26 - **10 lakh hectares**, including **3.22 lakh ha in general states** and **3.28 lakh ha in Northeastern states**

Focused efforts in **capacity building, seed distribution, R&D, and supportive infrastructure**

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### **Conclusion:**

India's emergence as the **largest importer of germinated oil palm seeds from Malaysia** signifies a major policy shift towards **self-sufficiency in edible oils**. With technological collaboration from Malaysia and strategic execution of the **NMEO-OP**, India is moving steadily towards enhancing domestic palm oil production, reducing its **import burden**, and promoting **sustainable agricultural growth**. This development also reflects the growing importance of **agri-diplomacy** and **south-south cooperation** in addressing national food security challenges.



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