

Mustard output seen at record 13 MT

Farmers fear prices might fall below MSP due to cheap imports of other edible oils.

Written by Sandip Das | January 9, 2024

With record sowing this season, the production of mustard seed is likely to touch an all-time high of 13.14 million tonne (MT) in 2023-24 season, boosting domestic supplies of edible oils. This



may force the government to review the import duty relief for edible oils like palm, soybean and sunflower.

Last month, the import duty relief for the three edible oils was extended to March, 2025.

“Weather conditions have been favourable so far and there are not reports of any disease like white rust in the standing crops,” P K Rai, director, directorate of

Rai said that mustard production this year would be a record if weather remains conducive during the next four to six weeks. (Express)

rapeseed-mustard research, a Bharatpur, Rajasthan based institute affiliated to Indian Council for Agricultural Research, told FE.

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According to the agriculture ministry, mustard this season has been sown in a record 9.88 million hectare (mh), 2.2% more than last year.

However farmers fear that due to bumper output and higher imports, the prices are likely to fall below the minimum support price (MSP) of Rs 5650/quintal announced for the 2023-24 season. The harvesting of new crop is likely to commence from the end of February.

Roop Singh, CEO, Uttan Mustard Producers Company, a FPO based in Astavan village, of Bharatpur said that while in 2020 and 2021 the farmers have received remunerative prices which was reasonably more than MSP, last year the mandi prices were around the MSP of Rs 5450/quintal (2022-23 season) because of sharp increase in imports of edible oil.

“Mustard output is likely to be record this year, but we are apprehensive about mandi prices may fall below MSP this year as well,” Singh said. The agriculture ministry has estimated mustard seed production at a 12.64 MT in the 2022-23 crop year (July-June). Area under mustard in the current rabi season has been reported at a record 9.8 million hectare (MH) which is 64% more than last five years’ average sown area of 6.4 MH.

In the 2021-22 season, mustard sown areas stood at 9.1 MH. Average area under mustard for the last five year has been 7.3 mh.

Currently, Rajasthan (40%), Madhya Pradesh (14%), Uttar Pradesh (9%) and Haryana (7%), have 70% share in the country's mustard seed production.

India imports about 58% of the total annual edible oil consumption of around 24 to 25 MT. Share of domestic edible oil includes mustard (40%), soyabean (24%) and groundnut (7%) and others.

India's import of edible oils – palm, soybean and sunflower – rose 17% on year to a record 16.47 MT in the 2022-23 oil year (November-October), helped by lower import tariffs of only 5.5% on crude oil imports.

The government has extended the lower import duty structure for palm, soybean and sunflower oils till March 31, 2025

Due to large import of edible oil, the retail inflation in oil and fat category had been in the negative zone since February, 2023 as global prices softened. Inflation in cooking oil declined by 15.03% in November on year.

Source: <https://www.financialexpress.com/policy/economy-mustard-output-seen-at-record-13-mt-3359111/>