

Oil palm prices soar past ₹20,000/t in Telangana, AP

KV Kurmanath

Hyderabad

Here's some good news in the New Year for oil palm farmers in Telangana and Andhra Pradesh.

Prices of FFBS (fresh fruit bunches) per tonne have zoomed past the ₹20,000-mark as the demand for FFBS has shot up in the domestic market after the Union Government's decision to increase the import duties on crude palm oil.

The price of FFBS went up to ₹20,413 a tonne by the end of December 2024 against ₹12,534 a year ago, reflecting a growth of 63 per cent. The price of crude palm oil (CPO) showed a similar trend during the period. The CPO price went up to ₹1.25 lakh from ₹77,720 a tonne during the period, a growth

of 60 per cent. The price of FFBS continued to grow every month beginning September 2023, when the price stood at ₹12,231.

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Telangana set a target to bring in an additional one lakh acres under oil palm cultivation during 2024-25. It, however, could cover one-fourth of the target and hopes to cover another 60,000 acres by March 31, 2024, a State Government official said.

Farmers have mixed feelings. While they are happy that prices have breached the Rs 20,000-mark, their concern is that it is a lean period for the production of FFBS.

"Though it is a good thing, we need to see how they (prices) change when we enter the harvest time a few months later," an oil palm

farmer in Khammam told *businessline*.

Telangana Agriculture Minister Tummala Nageswara Rao appealed to the Centre to take steps to maintain crude palm oil prices above ₹1,25,000 by adjusting the import duty accordingly.

He noted that the import duty used to be at 44 per cent.

Recently reviewing the oil palm plantation status in the State, the Minister cautioned the companies which signed an agreement with the Government to keep the promises made.

Sanjay Goenka, MD and CEO 3F Oil Palm, attributed the jump in prices of FFBS to the increased duties and a shortage of FFBS in Malaysia and Indonesia, the major palm oil producers, leading to a decreased production.