

Palm Oil and GM Mustard: A Marriage Made in Hell

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The current drive to get genetically modified (GM) food crops into India is being spearheaded by GM mustard. However, the decision to sanction the commercialisation of this crop has been delayed due to accusations of [“unremitting fraud” and “regulatory delinquency.”](#)

These accusations are being strengthened with each passing day, as [further evidence comes to light](#) about the underhand, deceptive and corrupt tactics that have been used to fudge and manipulate data under a veil of secrecy. It is becoming increasingly clear that GM will not increase yields or have any benefits, especially when compared to current non-GM and traditional, high-yielding varieties. In fact, it would do [more harm than good](#) (see [this](#) also and [this slide show](#) too) and GM mustard would serve only one purpose: it would act as a Trojan horse to open the floodgate to GM food crops being grown in India.

One of the main (bogus) arguments put forward in favour of GM mustard is that India needs to reduce its imports of edible oils and that GM will give an underproductive indigenous edible oils sector a much-needed boost. While it is clear that India’s imports of edible oils have indeed increased, this is not as a result of an underperforming home-grown sector.

[In terms of volumes](#), palm oil, soybean oil and mustard oil are the three largest consumed edible oils in India, with respective shares of 46%, 16% and 14% in total oil consumption (2010 figures). Over the past 20 years, India’s indigenous edible oil output has risen only about a third whereas imports have surged twelve fold, making it the world’s top buyer of cooking oils.

The argument to reduce imports certainly carries weight: overseas purchases of edible oils exceed \$10 billion per year, India’s third-highest after oil and gold.

However, [Davish Jain](#), chairman of the Soybean Processors Association of India, targets the heart of the issue when he says:

“India has become the dumping ground for palm oil. Our oil seed and edible oil production will not rise unless we restrict cheaper imports.”

Until the mid-1990s, India was virtually self-sufficient in edible oils. Then import tariffs were reduced, leading to an influx of cheap (subsidised) edible oil imports that domestic farmers could not compete with. This was a deliberate policy that effectively devastated the home-grown edible oils sector.

Aside from one previous occasion (1987), 1996 saw imports of palm oil reach over 1,000 MT (metric ton) and have increased more than nine fold since then. Back in September, with Malaysian palm oil prices near six-year lows, the fear was imports could rise even more.

Palm oil imports (source: US Department of Agriculture)

Market Year	Imports	Unit of Measure	Growth Rate
1964	7	(1000 MT)	NA
1965	11	(1000 MT)	57.14 %
1966	8	(1000 MT)	-27.27 %
1967	1	(1000 MT)	-87.50 %
1970	1	(1000 MT)	0.00 %
1971	2	(1000 MT)	100.00 %
1972	91	(1000 MT)	4,450.00 %
1973	15	(1000 MT)	-83.52 %
1974	15	(1000 MT)	0.00 %
1975	40	(1000 MT)	166.67 %
1976	320	(1000 MT)	700.00 %
1977	486	(1000 MT)	51.88 %
1978	396	(1000 MT)	-18.52 %
1979	595	(1000 MT)	50.25 %
1980	431	(1000 MT)	-27.56 %
1981	410	(1000 MT)	-4.87 %
1982	597	(1000 MT)	45.61 %
1983	557	(1000 MT)	-6.70 %
1984	730	(1000 MT)	31.06 %
1985	798	(1000 MT)	9.32 %
1986	921	(1000 MT)	15.41 %
1987	1120	(1000 MT)	21.61 %
1988	330	(1000 MT)	-70.54 %
1989	600	(1000 MT)	81.82 %
1990	209	(1000 MT)	-65.17 %
1991	165	(1000 MT)	-21.05 %
1992	30	(1000 MT)	-81.82 %
1993	200	(1000 MT)	566.67 %
1994	480	(1000 MT)	140.00 %
1995	970	(1000 MT)	102.08 %
1996	1300	(1000 MT)	34.02 %
1997	1530	(1000 MT)	17.69 %
1998	2900	(1000 MT)	89.54 %
1999	3300	(1000 MT)	13.79 %
2000	4000	(1000 MT)	21.21 %
2001	3400	(1000 MT)	-15.00 %
2002	3954	(1000 MT)	16.29 %
2003	3486	(1000 MT)	-11.84 %

2004	3525	(1000 MT)	1.12 %
2005	2899	(1000 MT)	-17.76 %
2006	3650	(1000 MT)	25.91 %
2007	5013	(1000 MT)	37.34 %
2008	6867	(1000 MT)	36.98 %
2009	6603	(1000 MT)	-3.84 %
2010	6661	(1000 MT)	0.88 %
2011	7473	(1000 MT)	12.19 %
2012	8364	(1000 MT)	11.92 %
2013	7820	(1000 MT)	-6.50 %
2014	9129	(1000 MT)	16.74 %
2015	9525	(1000 MT)	4.34 %

Supporters of GM mustard now twist this situation to call for the introduction of GM mustard to increase productivity. This is of course erroneous on two counts: first, it was not poor productivity that led to the massive increase in imports; second, GM mustard is even lower yielding than varieties that already exist – no amount of manipulated data can hide this, as we can now see.

However, there has been a big winner in all of this: the palm oil industry in Indonesia and Malaysia. India is now the world's [leading importer of palm oil](#), accounting for around 15% of the global supply. It imports over two-thirds of its palm oil from Indonesia.

Indonesia leads global production, but the cheap price is often offset by the destruction of large tracts of tropical forest. Oil palm plantations often replace tropical forests, leading to the killing of endangered species and the uprooting of local communities as well as contributing to the release of climate-changing gases (see [this analysis](#)). Indonesia emits more greenhouse gases than any country besides China and the US and that's largely due to the production of palm oil.

From 2000 to 2009, Indonesia supplied more than half of the global palm oil market at an annual expense of some 340,000 hectares of Indonesian countryside. Planned expansion could wipe out the remaining natural habitat of several endangered species. This is a ludicrous situation considering that Brazil and Indonesia spent over [100 times more in subsidies](#) to industries that cause deforestation than they received in international conservation aid from the UN to prevent it. The two countries gave over \$40bn in subsidies to the palm oil, timber, soy, beef and biofuels sectors between 2009 and 2012, some 126 times more than the \$346m they received to preserve their rainforests.

If there were ever a case study of how to rundown your own edible oils sector, then India is it. At the same time, in doing so, it has been a main contributor to the growth of Indonesia's palm oil sector and in the process has fuelled massive environmental damage that is impacting the whole planet.

And now, under pressure from the feed and poultry sector, India could be on the verge of encouraging the flow of soy imports into the country, which would further undermine the

indigenous sector. If you can't fool the nation into growing GM, then at least you can get it to import it from the likes of South America or the US - which could be in the pipeline (see [this](#), page 1).

Just as in Indonesia, this would also fuel massive environmental catastrophe as well as further widespread social devastation and damage to human health (outlined [here](#)).

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