

Commodity Profile of Edible Oil for September - 2019

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1. Edible Oil estimates for India (marketing year- November 2018- October 2019)

(Unit: MillionTonnes)

Table 1: Production, Stocks, Trade and Availability of Edible Oils				
2017-18	2018-19*		July, 2019	Source
10.38	10.06\$	Production	10.06\$	DSVO
14.59	14.92	Imports	12.46**	DOC
24.97	24.98	Availability	22.52	
0.84	0.75	Export and Industrial use	0.75	DVVOF
24.13	24.23	Total Available for domestic consumption	21.77	

Source: Directorate of Vanaspati, Vegetable oil and Fats (DVVOF) and Department of Commerce

\$For 2018-19 estimates, figure are as per Directorate of Sugar and Vegetable Oils

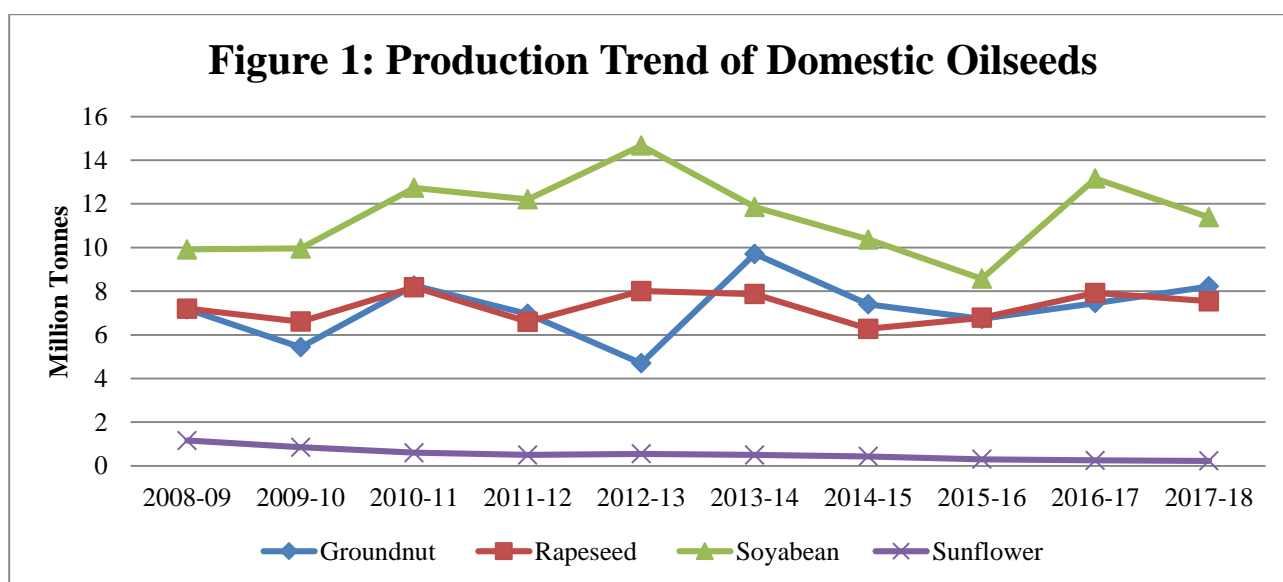
*For 2018-19 estimates, Production, Export Industrial use are estimates from DVVOF and Import is 3 years average from DGCI&S, Kolkata.

**Figure of import is for the period Nov-Mar, 2018-19.

Availability: Domestic production plus Imports;

Total Availability for Domestic Consumption: Availability minus export and Industrial use.

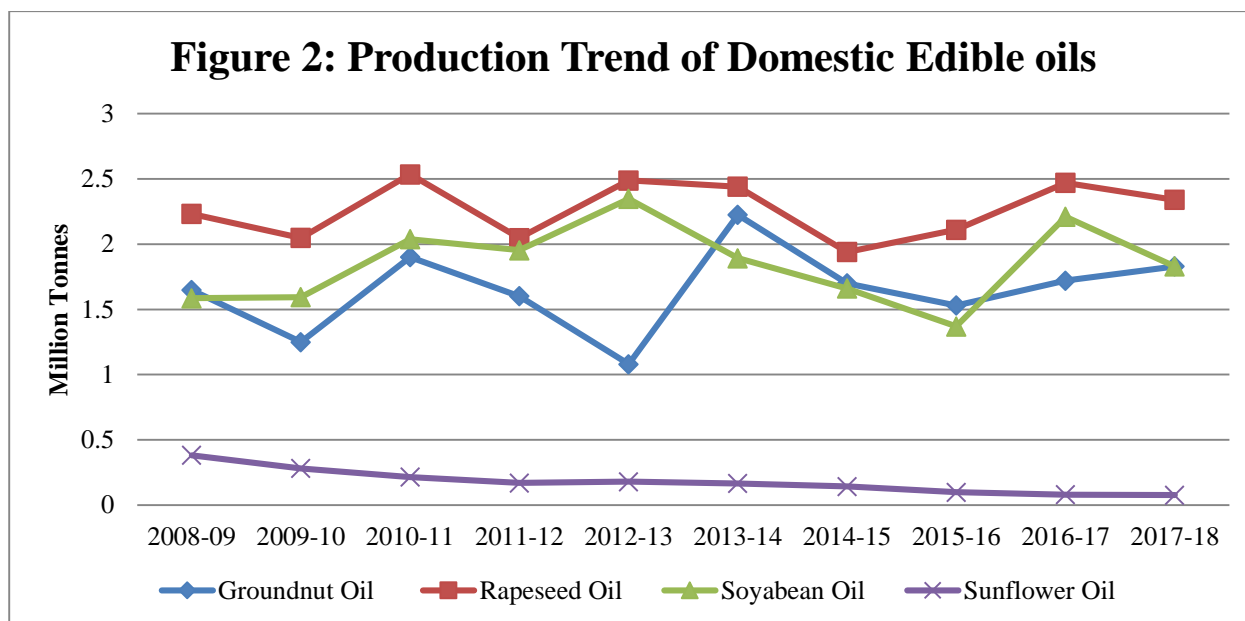
2. Production Trend of Domestic Oilseeds



Source: Directorate of Economics and Statistics

- India's Soybean production has increased in the last 10 years at CAGR of 1 percent.
- Groundnut production is estimated to be 8.94 Million Tonnes in 2017-18 as compared to 7.46 Million Tonnes in 2016-17 showing a growth of around 20%.

3. Production Trend of Domestic Edible Oils



Source: Directorate of Vanaspati, Vegetable oil and Fats (DVVOF)

- Soybean oil production has increased in the last 10 years at CAGR of 1.48 percent.
- Rapeseed oil production was 2.33 Million MT in 2017-18.

4. Global & Domestic Production, Exporters and Importers of Major edible oil

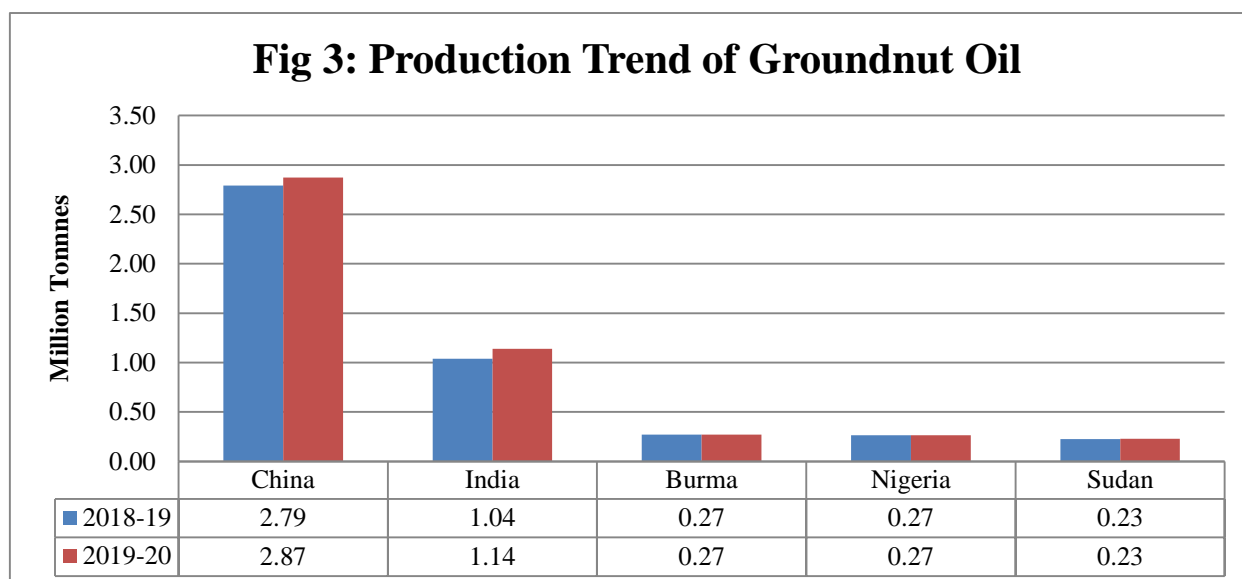
(Qty in Million MT)

Edible Oil	Global Production (2018-19)	India's Production (2018-19)	Major Exporters/ Importers (2018)
Ground nut oil	5.57	0.99	Exporters: Argentina, Brazil, Senegal
			Importers: China, Italy, USA
Mustard oil	27.96	2.13	Exporters: Canada, Germany, Russia
			Importers: USA, China, Netherland
Sunflower oil	19.45	0.10	Exporters: Ukraine, Russia, Netherland
			Importers: India, China, Iran
Soybean oil	56.97	1.62	Exporters: Argentina, Brazil, USA
			Importers: India, Bangladesh, Algeria
Palm oil	73.49	0.20	Exporters: Indonesia, Malaysia, Netherland
			Importers: India, China, Pakistan

Source: Global Production: USDA, India's Production: DVVOF, Exporters & Importers: Comtrade

5. Global Production Trend of Major Edible Oils

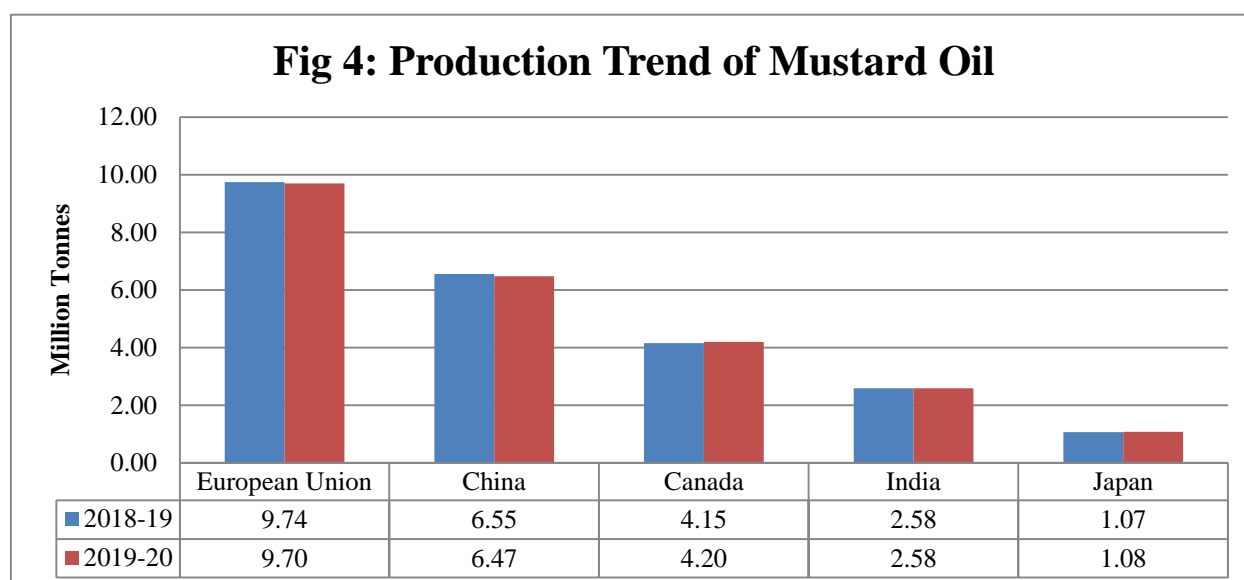
A) Groundnut oil



Source: United States Department of Agriculture

- China was the top producer followed by India and Burma in 2018-19.
- India's share in global production of Groundnut Oil in 2018-19 was around 18 percent.

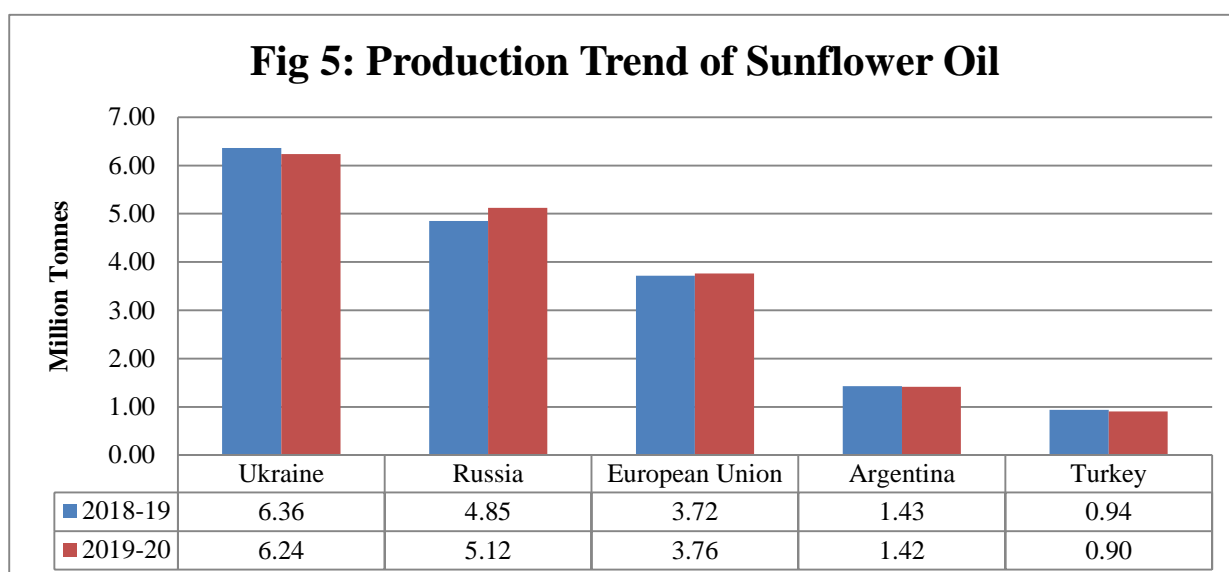
B) Mustard Oil



Source: United States Department of Agriculture

- European Union (EU) was the top producer followed by China and Canada in 2018-19. India may be the fourth largest producer.
- India's share in global production of mustard oil in 2018-19 was around 8 percent.

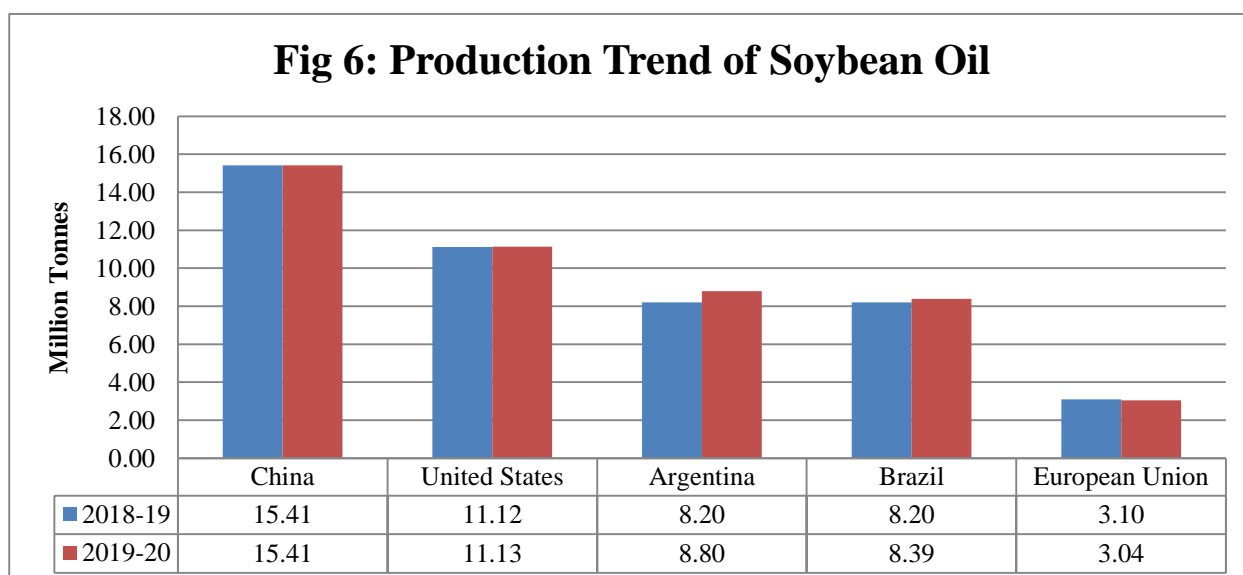
C) Sunflower Oil



Source: United States Department of Agriculture

- Ukraine was the largest producer followed by Russia and EU in 2018-19.
- India's share in global production of sunflower oil in 2018-19 was around 5.0 percent.

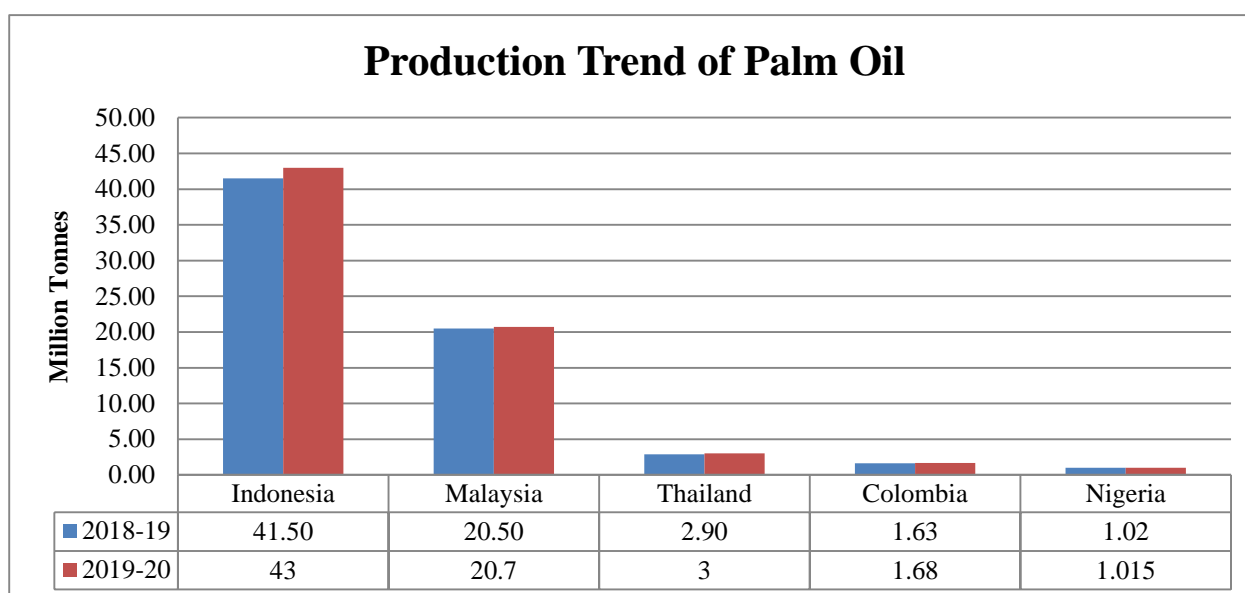
D) Soybean oil



Source: United States Department of Agriculture

- China, United States, Argentina and Brazil were the key producers of Soybean oil in 2018-19.
- India's share in global production of Soybean Oil in 2018 was around 3 percent.

E) Palm Oil

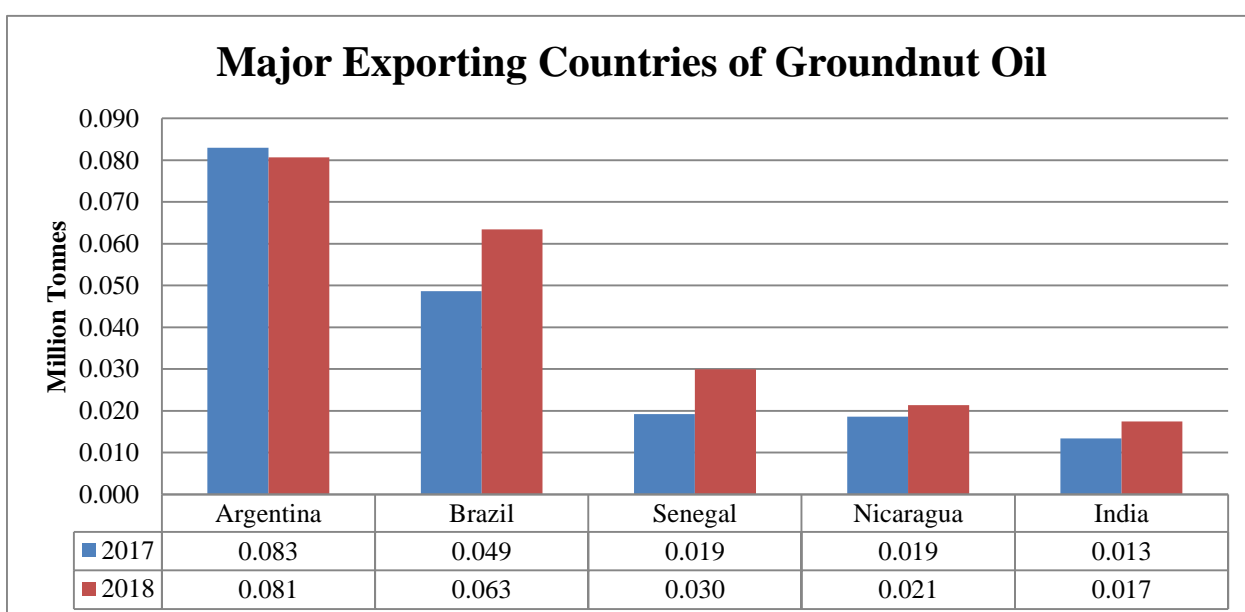


Source: United States Department of Agriculture

- Indonesia and Malaysia are major Palm oil producers in the world.

6. Major Exporting and Importing Countries of Edible Oils

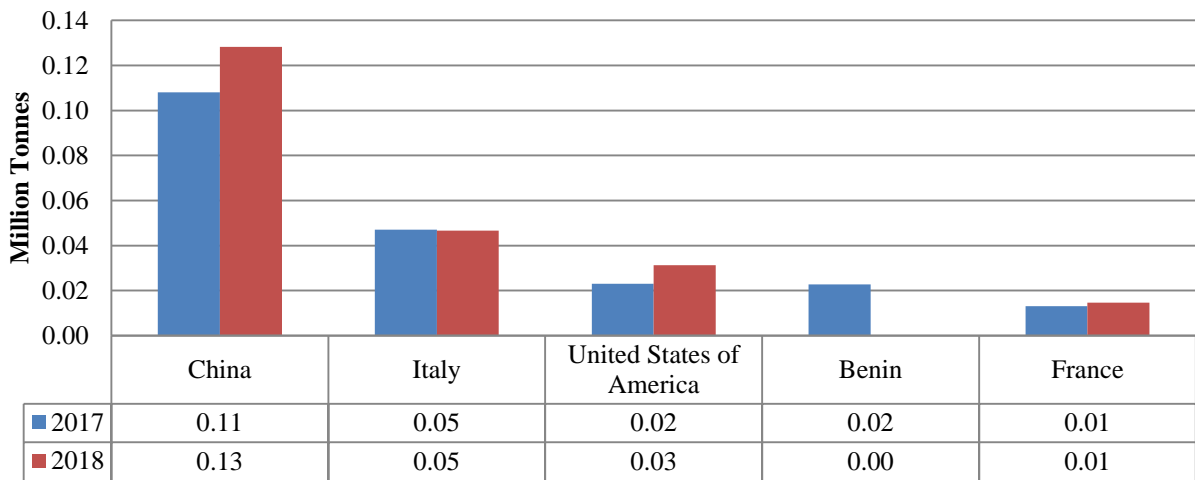
A. Groundnut oil



Source: Comtrade

- Argentina and Brazil were the top two exporting countries of Groundnut oil in 2018.

Fig 9: Major Importing countries of Groundnut Oil

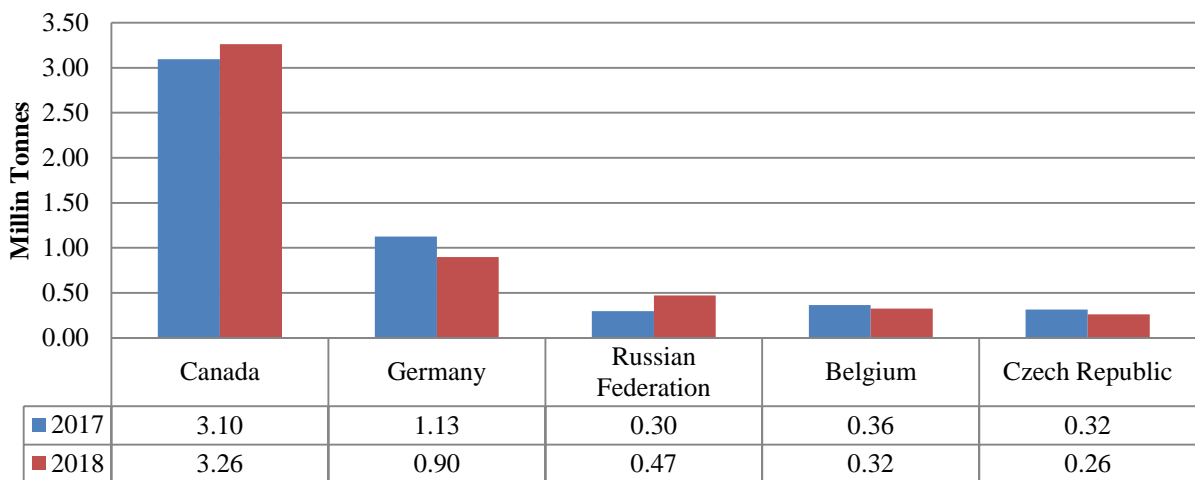


Source: Comtrade

- China and Italy were the major importing countries of groundnut oil in 2018.

B. Mustard oil

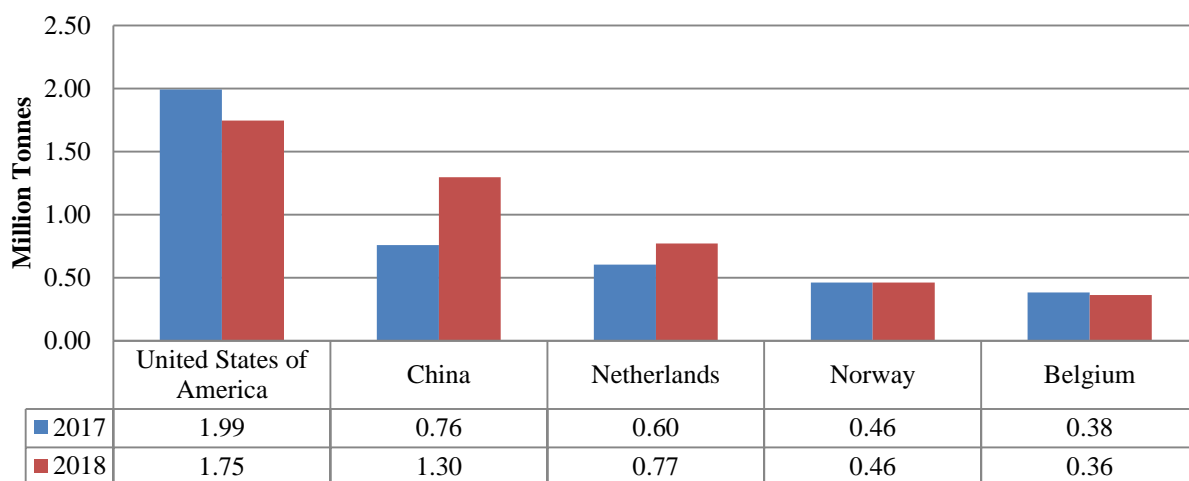
Fig 10: Major Exporting Countries of Mustard Oil



Source: Comtrade

- Canada was the largest exporter of Mustard oil in the world followed by Germany and Russian Federation in 2018.

Fig 11: Major Importing countries of Mustard Oil

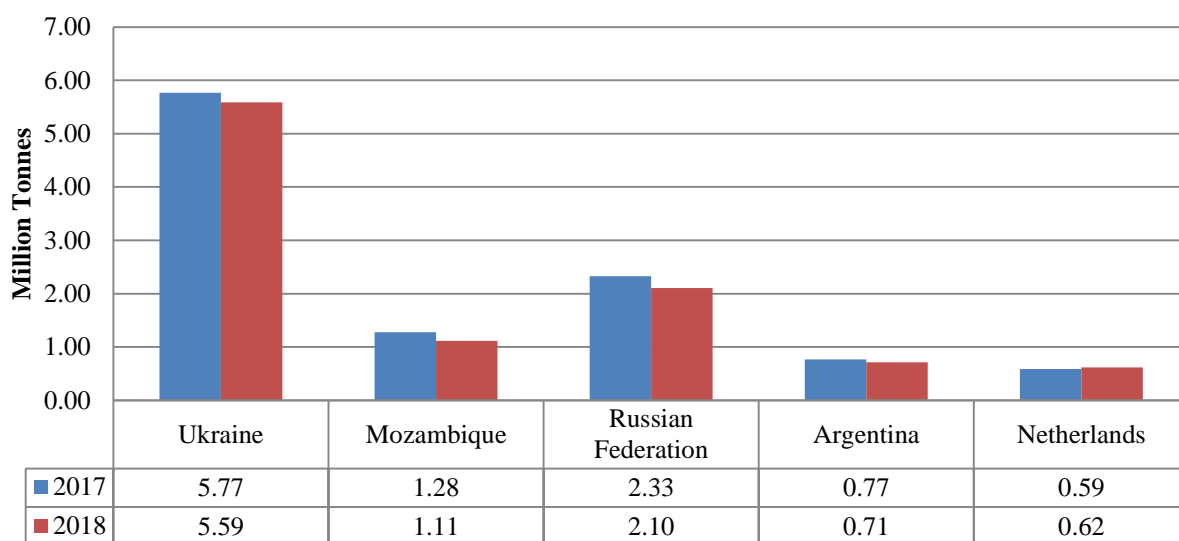


Source: Comtrade

- The USA and China were the leading importing countries of Mustard oil in the world.

C. Sunflower oil

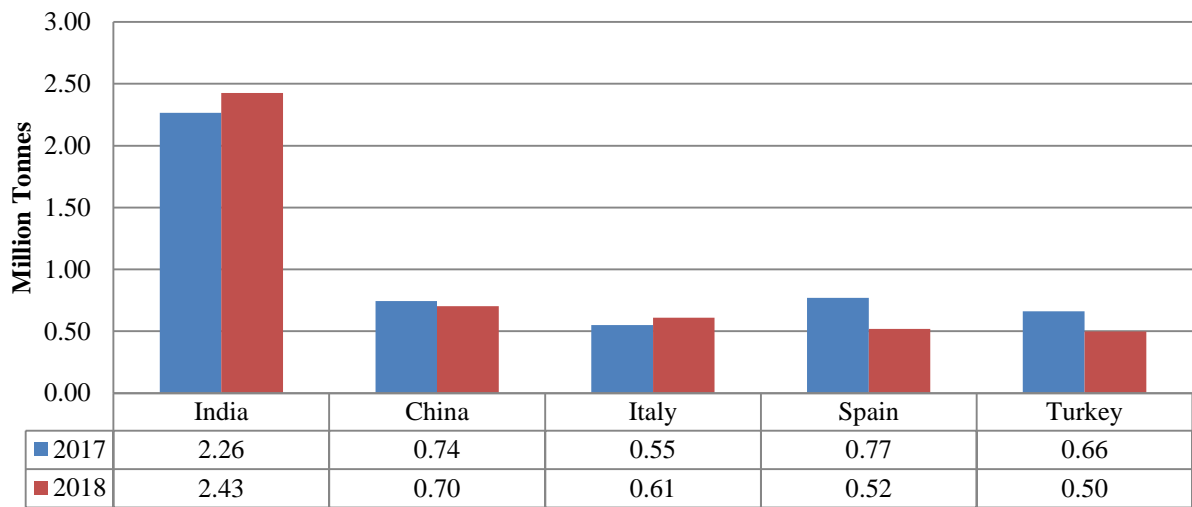
Major Exporting countries of Sunflower Oil



Source: Comtrade

- Ukraine and Mozambique were the top two global exporters of sunflower oil during 2018.

Fig 13: Major Importing countries of Sunflower Oil

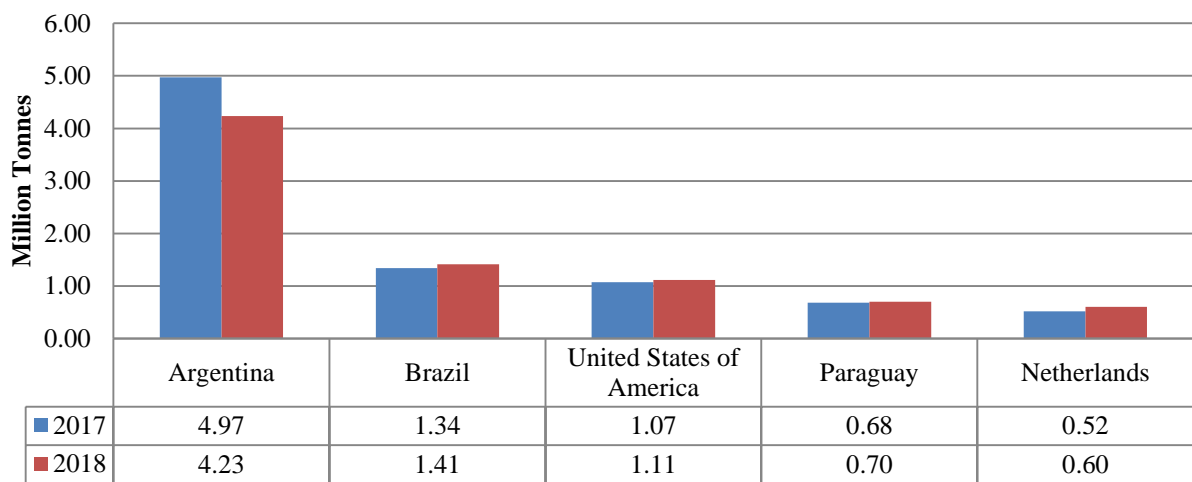


Source: Comtrade

- India was the largest importer of Sunflower oil followed by China, Italy, and Spain during 2018.

D. Soybean oil

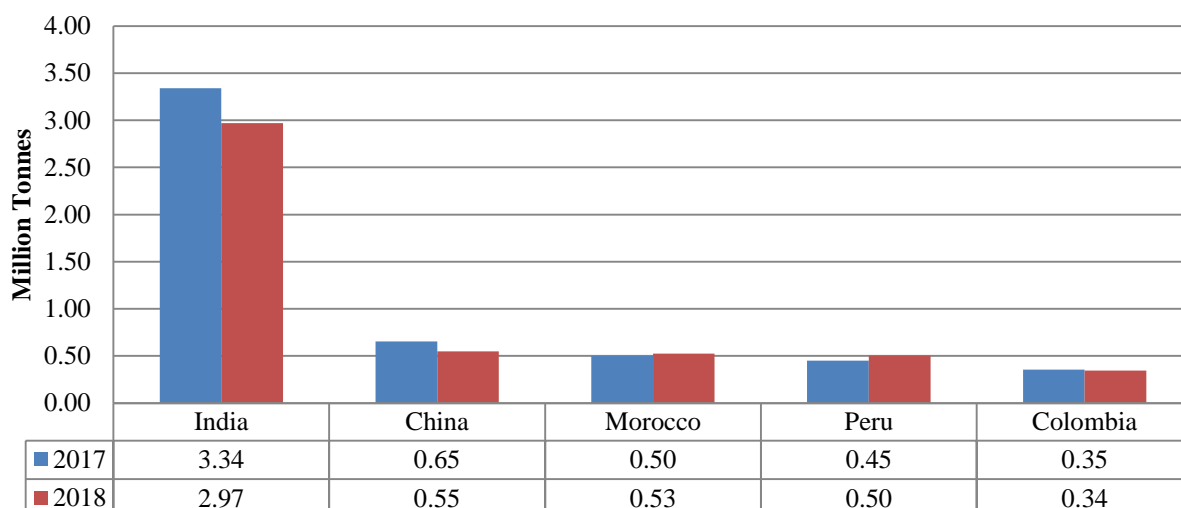
Fig 14: Major Exporting countries of Soybean Oil



Source: Comtrade

- Argentina was the largest exporting country in the world followed by Brazil, USA and Paraguay during 2017.

Fig 15: Major Importing countries of Soybean Oil

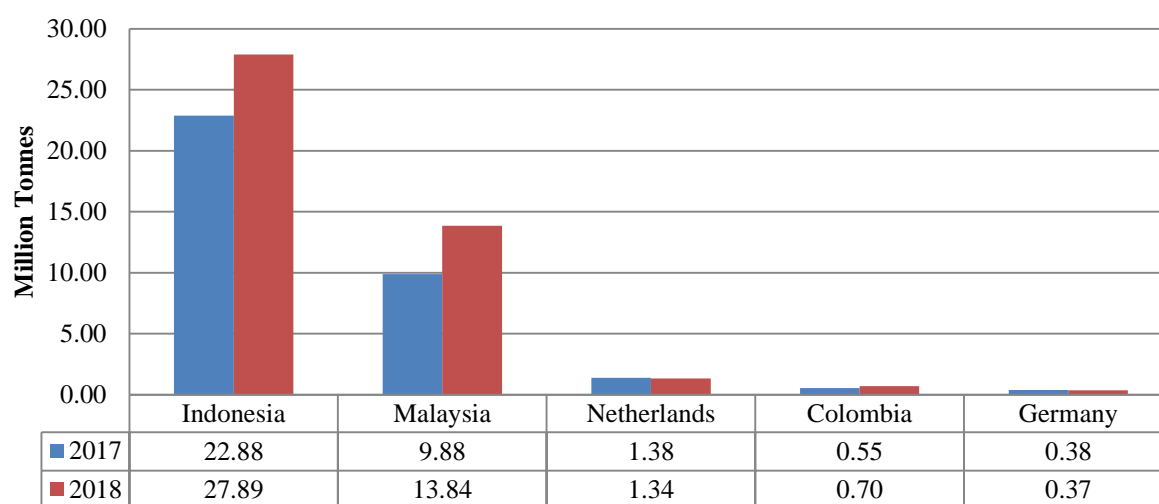


Source: Comtrade

- India was the largest importer of soybean oil that constituted 27.89 percent of the global import in the year 2017.

E. Palm oil

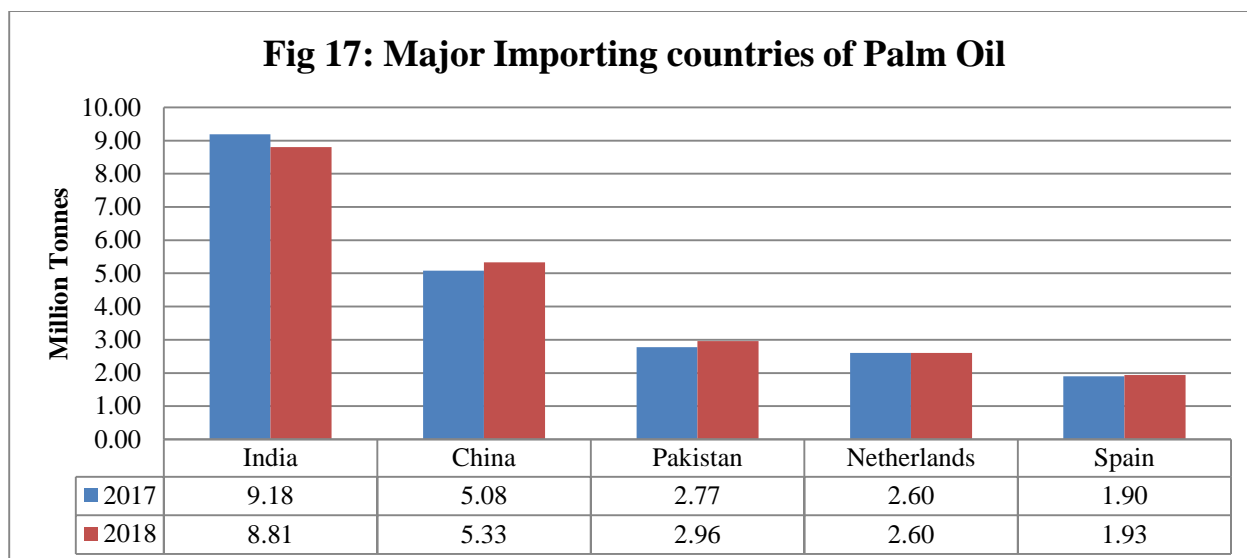
Fig 16: Major Exporting countries of Palm Oil



Source: Comtrade

- Indonesia and Malaysia hold both competitive as well as comparative advantage in exportation of Palm oil in the world.

Fig 17: Major Importing countries of Palm Oil



Source: Comtrade

- India is the largest importer of Palm oil in the world followed by China, Pakistan and Netherland.

7. India's import of major edible oils

(Qty in Lakh Tonnes)

Year	Soybean Oil		Palm Oil		Sunflower Oil		Major Edible Oils	
	Crude	Refined	Crude	Refined	Crude	Refined	Crude	Refined
2013-14	13.5	0.0	51.3	25.4	10.8	0.0	75.6	25.5
2014-15	23.2	0.0	69.7	11.9	17.1	0.0	110.0	11.9
2015-16	39.6	0.0	71.1	25.7	14.9	0.0	125.6	25.7
2016-17	34.6	0.0	53.6	29.4	17.3	0.0	105.5	29.4
2017-18	31.5	0.0	67.5	27.7	22.5	0.0	121.5	27.7
2018-19	31.7	0.3	64.2	25.2	25.8	2.0	124.5	25.6
2019-20 (Apr-Jul)	9.89	0.11	18.91	12.98	7.51	0.0	36.97	13.23

Source: Department of Commerce

(Value in Rs. Crores)

Year	Soybean Oil		Palm Oil		Sunflower Oil		Major Edible Oils	
	Crude	Refined	Crude	Refined	Crude	Refined	Crude	Refined
2013-14	8308	0.05	26440	12915	6882	1.62	41630	12917
2014-15	12908	0.11	33055	5839	9552	1.07	55515	5840
2015-16	19419	0.50	27409	10390	8323	1.04	55151	10392
2016-17	18703	3.80	26381	14708	9791	2.41	54875	14714
2017-18	16488	4.20	30851	12804	11857	2.66	59196	12811
2018-19	16373	16.71	25752	10881	13655	2.13	55780	10900
2019-20 (Apr-Jul)	4818	86.40	6875	5268	3791	0.94	15484	5355

Source: Department of Commerce

- India imports substantial amount of edible oils for its domestic consumption. Among all edible oils imported into India, Palm oil import share is around 60 percent.

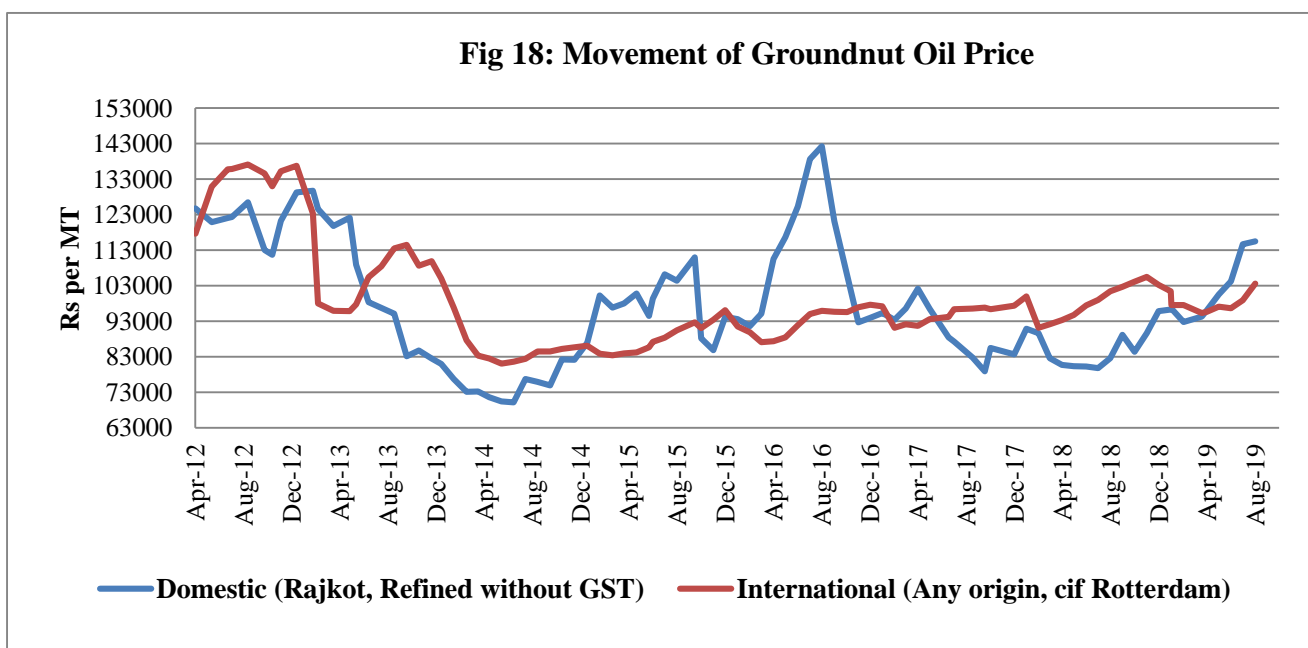
8. India's top import sources of Palm, Soya and Sunflower Oils

Table 5: India's Top Import Sources of Palm, Soya and Sunflower Oils during 2018	
Edible Oils	Import Source
Soybean Oil	Argentina and Brazil
Palm Oil	Indonesia and Malaysia
Sunflower Oil	Ukraine and Argentina

Source: Department of Commerce

9. Movement of Domestic and International Edible Oils Prices

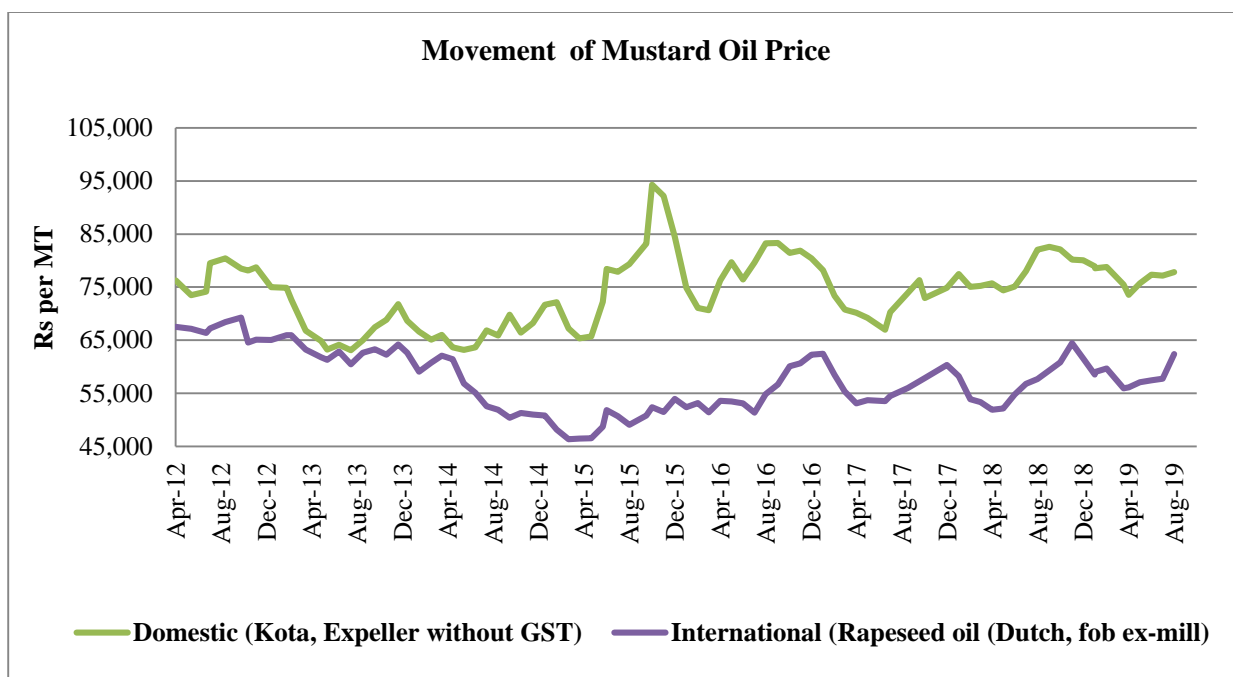
I. Groundnut oil



Source: Domestic Price Agriwatch and International Price are FAO Prices.

- Domestic prices of Groundnut oil are showing rising trend from May, 2019.

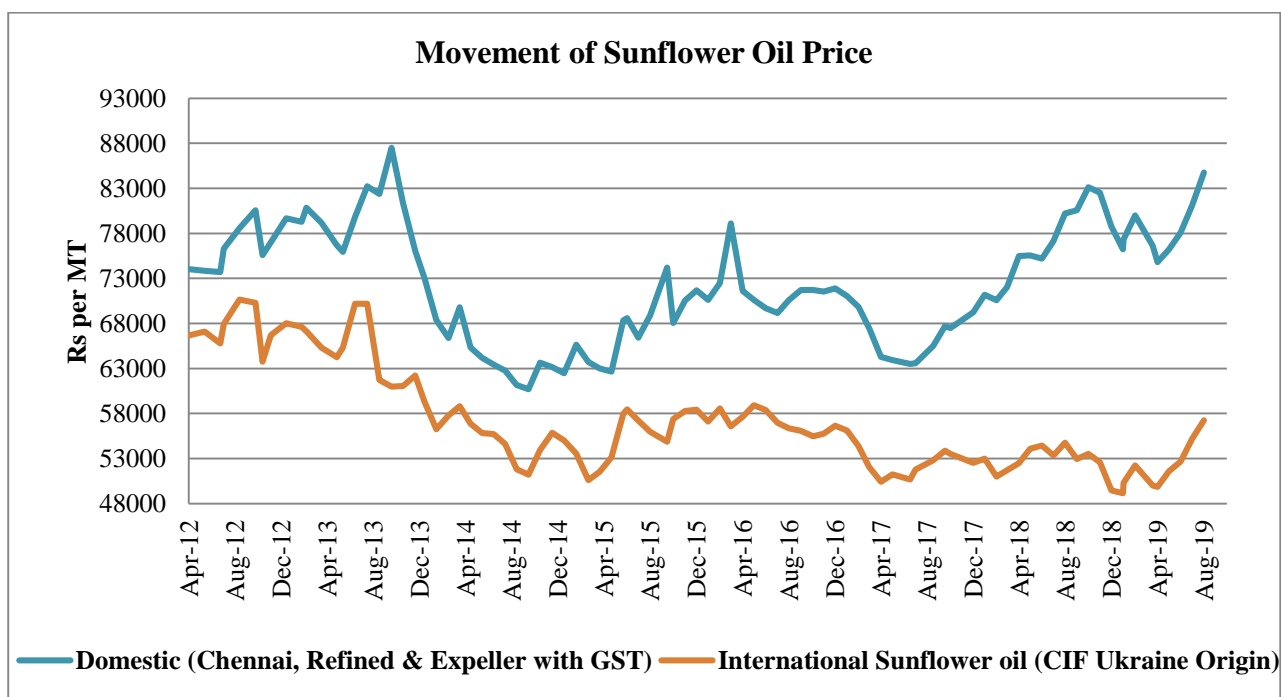
II. Mustards Oil



Source: Domestic Price Agriwatch and International Price are FAO Prices.

- Domestic price of Mustard Oil is higher than that of International prices throughout the years.

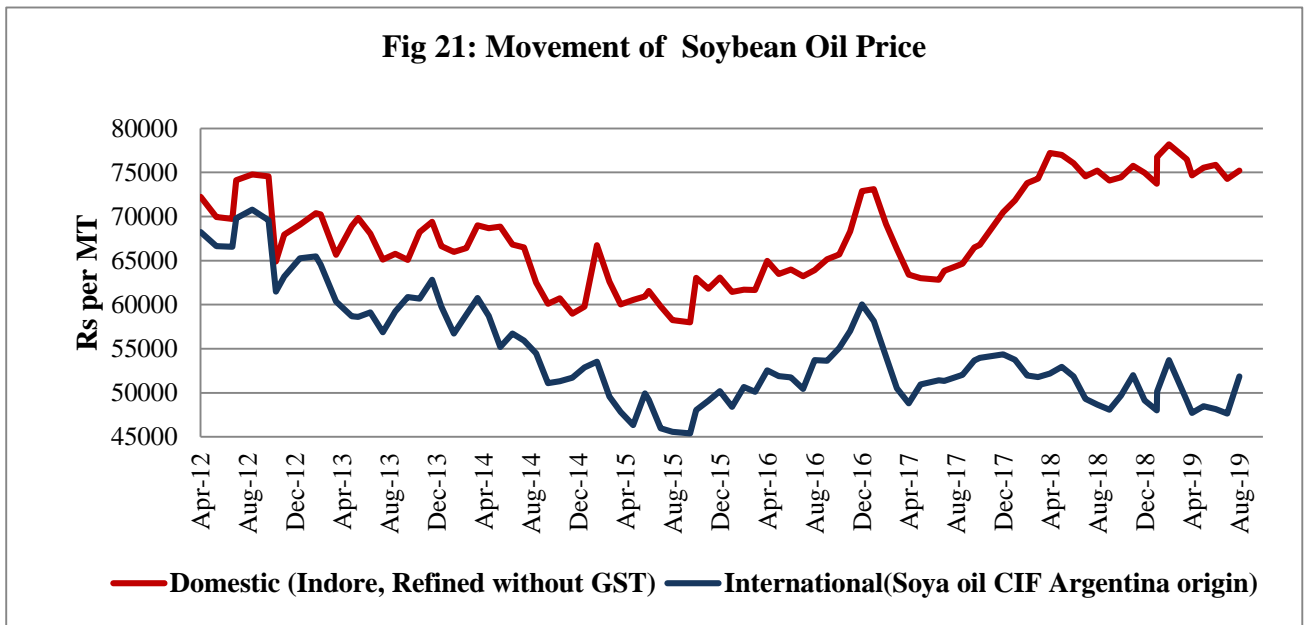
III. Sunflower oil



Source: Domestic Price Agriwatch and International Price are CIF Ukraine origin Prices.

- Domestic prices of Sunflower oil are higher than the International prices throughout the period.

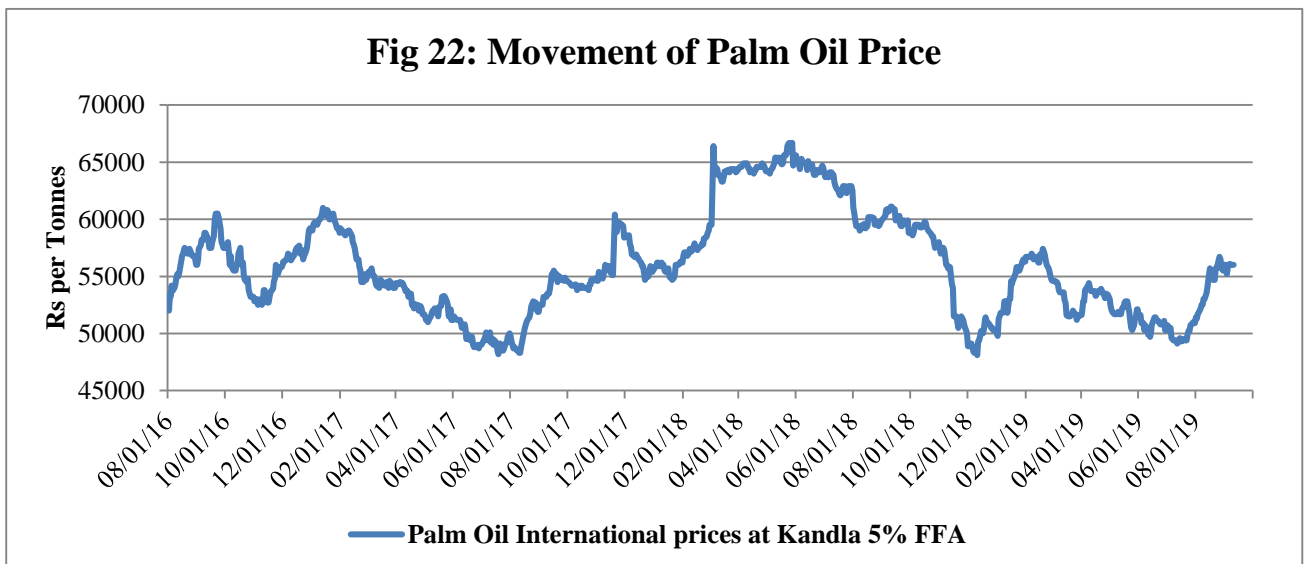
IV. Soybean oil



Source: Domestic Price Agriwatch and International Price are CIF Argentina origin Prices.

- Domestic prices of soybean oil are higher than International prices throughout the period.

V. Palm oil



Source: International landing Price at Kandla, Agriwatch.

- International price of palm oils are showing a weak trend.

10. Domestic future prices of Soya bean and Crude Palm oil

Unit: Rs/Quintal

Contract Month	As on 30.8.2019	Week ago 23.8.2019	Month ago 30.7.2019	3 Months ago 30.5.2019	6 Months ago 28.2.2019	Year ago 30.8.2018	% Change over previous year
Sep, 19	7555.00	7582.00	7355.00	7296.50	7405.00	7280.50	3.77
Oct, 19	7567.00	7587.00	7330.00	7296.50	7405.00	7280.00	3.94
Nov, 19	7590.00	7583.00	7330.50	7296.50	7405.00	7268.00	4.43

Source: National Commodity & Derivatives Exchange Limited

- Domestic future price for Crude Soya bean oil is expected to show decrease over the price previous year.

Unit: Rs/Quintal

Contract Month	As on 30.8.2019	Week ago 23.8.2019	Month ago 30.7.2019	3 Months ago 30.5.2019	6 Months ago 28.2.2019	Year ago 30.8.2018	% Change over previous year
Aug, 19	5516.00	5558.00	5147.00	5280.00	5720.00	5933.00	-7.03
Sep, 19	5652.00	5617.00	5175.00	5310.00	5720.00	5964.00	-5.23
Oct, 19	5695.00	5673.00	5200.00	5310.00	5720.00	6019.00	-5.38

Source: Multi Commodity Exchange of India Ltd

- Domestic future price for Crude Palm oil is expected to decrease over the price in previous year.

11. International future prices of Soya bean and Crude Palm Oil

Unit: USD/Ton

Contract Month	As on 30.8.2019	Week ago 23.8.2019	Month ago 30.7.2019	3 Months ago 30.5.2019	6 Months ago 28.2.2019	Year ago 30.8.2018	% Change over previous year
Sep, 19	631.40	624.78	626.99	617.51	681.00	623.46	1.27
Oct, 19	631.40	627.21	629.85	620.59	683.65	626.55	0.77
Dec, 19	635.15	632.72	635.59	627.43	688.50	632.06	0.49
Jan, 20	639.33	637.79	641.10	631.84	693.79	636.91	0.38

Source: CME Soybean Oil Prices

- International future prices of Soya bean are expected to decrease over the last year.

Unit: USD/Ton

Contract Month	As on 30.8.2019	Week ago 23.8.2019	Month ago 30.7.2019	3 Months ago 30.5.2019	6 Months ago 28.2.2019	Year ago 30.8.2018	% Change over previous year
Sep, 19	509.72	525.55	491.63	500.12	539.44	534.71	-4.67
Oct, 19	524.41	533.91	500.61	504.17	540.67	542.75	-3.38
Nov, 19	530.57	538.68	509.10	507.99	540.43	547.38	-3.07

Source: BMD Malaysian Palm Oil Prices

- International future prices of Palm oil are expected to decrease over the last year prices.

12. Trade Policy

12.1 Export Policy

At present, export of all varieties of edible oils is free, except mustard oil. Export of mustard oil in branded consumer packs of upto 5 Kgs is permitted with a Minimum Export Price of USD 900 per MT. (DGFT's Notification No 01/2015-202 dated 16th April, 2018)

12.2 Import Policy

At present, import of all varieties of edible oils is free without any quantitative restriction.

12.3 Duty structures of Edible oils

Major Edible oils	Bound Duty	Applied Duty	
		Crude	Refined
Palm Oil	300%	44%	54%
Remaining Edible Oils	45/75/100/300%	35%	45% (except Olive Oil- 40%)

12.4 Status of Edible oils in different FTA/PTA

Major Edible oils	Status in Major FTA/PTA	
	ASEAN	Malaysia CECA
Palm Oil	Crude- 40% and Refined- 50%	Crude- 40% Refined- 50%*
Remaining Edible Oils	No Duty Concession (except Olive Oil - 0%)	

Source: DoC, Department of Revenue, Government of India and WTO

*After imposition of safeguard measures by DGTR vide Notification No 29/2019-Cutoms dated 04-09-2019

13. Significant Changes for the month

- Hike in import duty on refined palm oil sourced from Malaysia from 45% to 50%.
- Tariff-rate Quota (TRQ) for import of 30,000 MT of crude soya oil from Paraguay under India-Mercosur Trade Agreement at import duty of 10%.

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