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India

Oilseeds and Products

Annual

2006

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Report Highlights:
MY 2006/07 total oilseed production is forecast to remain unchanged at around 30.3 million tons, with a likely marginal increase in oil and meal production due to larger crush. Vegetable oil imports are likely to remain strong although recent government policies could be detrimental to soybean oil imports. Meal exports, after a record increase in MY 2005/06, are forecast to decline marginally in MY 2006/07.

Includes PSD Changes: Yes
Includes Trade Matrix: No
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SECTION I - SITUATION AND OUTLOOK

TOTAL OILSEEDS

Post forecasts MY 2006/07 (Oct-Sep) total oilseeds production, comprising largely of rapeseed, peanut, soybeans, and cottonseed, to remain more or less unchanged at the MY 2005/06 level of 30.3 million tons, assuming normal growing conditions. A likely marginal increase in planted area under soybeans and cotton (provided the monsoon is normal) in response to prevailing higher prices, is likely to be largely offset by a possible decline in the rapeseed area due to increased competition from wheat and large overhanging stocks. Total oilseed crush is forecast higher at 25 million tons, as large rapeseed carry over stocks would enhance supplies. Food use of oilseeds is likely to grow with increased use of peanuts for table use and soybeans for value added products like soy milk, tofu, etc. Oilseed exports (mainly peanut) in MY 2006/07 are forecast to remain unchanged at 140,000 tons due to stringent quality norms being enforced by the European Union (EU). A summary PS&D Table for Total Oilseeds is given in Table 1.

Table 1: Total Oilseeds PSD

Year	2004 Revised	2005 Estimate	2006 Forecast
Beginning Stocks	745	2,030	2,630
Production	29,434	30,296	30,150
MY Imports	0	0	0
TOTAL SUPPLY	30,179	32,326	32,780
MY Exports	161	139	140
Crush	22,733	23,947	24,935
Food Use	1,615	1,865	1,900
Feed, Seed, Waste	3,640	3,745	3,805
Total Consumption	27,988	29,557	30,640
Ending Stocks	2,030	2,630	2,000
TOTAL DISTRIBUTION	30,179	32,326	32,780

Note: This analysis does not include sesame seed, safflower seed, niger seed, rice bran, etc., which although insignificant in the global scenario are important edible oils and meals in India.

TOTAL OIL MEALS

The MY 2006/07 total oil meal production is forecast to increase by 5 percent to 13.8 million tons, with most of the increase in rapeseed and cottonseed meal. Consumption is forecast to rebound from the Avian Influenza – induced lower MY 2005/06 level, due to a likely strong recovery in the poultry sector. MY 2006/07 exports are forecast to decline marginally from the MY 2005/06 record exports of 4.1 million tons (mostly soybeans), due to larger domestic demand. Except soybean meal, most other meals face weak export demand due to lower protein content and poor quality. A summary PS&D Table for Total Oil meals is given in Table 2.

Table 2: Total Oil Meals PSD

Year	2004 Revised	2005 Estimate	2006 Forecast
Crush	22,733	23,947	24,935
Beginning Stocks	40	400	165
Production	12,285	13,120	13,790
MY Imports	0	0	0
TOTAL SUPPLY	12,325	13,520	13,955
MY Exports	2,632	4,153	3,803
Industrial Use	0	0	0
Food Use	214	242	260
Feed, Seed, Waste	9,079	8,960	9,712
Total Consumption	9,293	9,202	9,972
Ending Stocks	400	165	185
TOTAL DISTRIBUTION	12,325	13,520	13,955

TOTAL OILS

Post forecasts MY 2006/07 edible oil production to increase to 6.6 million tons from 6.3 million tons in MY 2005/06, due to anticipated larger crush of higher oil content seeds like rapeseed. Imports are forecast to increase marginally to 5.0 million tons because of higher demand fueled by strong economic growth and increasing population. Import composition will largely be determined by the relative landed cost of various oils, particularly soybean oil and palm oil. The recent government notification, requiring a declaration whether the imported agricultural/food product contains genetically engineered products and if so getting prior approval from the government's Genetic Engineering Approval Committee for such imports could adversely impact soybean oil imports, which are mostly from genetically engineered beans. Despite higher tariffs, palm oil and products will continue to dominate the import market because of their lower prices, logistical advantage, contractual flexibility, and blending quality with high priced domestic oils. Soy oil typically had remained as a secondary source of edible oil. It could emerge as the leading imported oil if prices are competitive, as soybean oil attracts a lower custom duty of 45 percent vis-à-vis palm oil due to India's WTO commitment (provided the potential negative impact of the aforementioned policy for bioengineered products can be mitigated). Imports of most other oils like sunflower seed oil, rapeseed oil, etc. are negligible because of higher prices and/or large domestic supplies. Domestic edible oil prices, in general, are expected to move in tune with international prices with India's increasing dependence on imported oils, which now accounts for almost 50 percent of total consumption. Higher consumer income is resulting in higher per capita vegetable oil consumption, estimated at around 11.2 kilograms (including minor oils like sesame seed oil, rice bran oil, safflower seed oil, etc.). A summary PS&D Table for Total Oils is given in Table 3.

Table 3: Total Oils PSD

Year	2004 Revised	2005 Estimate	2006 Forecast
Crush	22,733	23,947	24,935
Beginning Stocks	519	485	413
Production	5,892	6,330	6,640
MY Imports	5,141	4,810	5,010
TOTAL SUPPLY	11,552	11,625	12,063
MY Exports	32	32	33
Industrial Use	526	525	535
Food Use	10,509	10,655	11,080
Feed, Seed, Waste	0	0	0
Total Consumption	11,035	11,180	11,615
Ending Stocks	485	413	415
TOTAL DISTRIBUTION	11,552	11,625	12,063

SECTION II – STATISTICAL TABLES

Table 1: Commodity, Oilseed, Soybean, PSD

PSD Table							
Country	**India**						
Commodity	**Oilseed, Soybean**				(1000 HA) (1000 MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Area Planted	7200	7990	7600	7740	0	7800	(1000 HA)
Area Harvested	7200	7990	7600	7740	0	7800	(1000 HA)
Beginning Stocks	65	65	60	210	50	150	(1000 MT)
Production	5500	5850	6000	6300	0	6400	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**5565**	**5915**	**6060**	**6510**	**50**	**6550**	(1000 MT)
MY Exports	5	10	8	8	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	4710	4910	4977	5427	0	5550	(1000 MT)
Food Use Dom. Consump.	225	225	275	275	0	300	(1000 MT)
Feed,Seed,Waste Dm.Cn.	565	560	750	650	0	700	(1000 MT)
TOTAL Dom. Consumption	5500	5695	6002	6352	0	6550	(1000 MT)
Ending Stocks	60	210	50	150	0	0	(1000 MT)
TOTAL DISTRIBUTION	**5565**	**5915**	**6060**	**6510**	**0**	**6550**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 2: Commodity, Meal, Soybean, PSD

PSD Table							
Country	**India**						
Commodity	**Meal, Soybean**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	4710	4910	4977	5427	0	5550	(1000 MT)
Extr. Rate, 999.9999	0.799363	0.800407	0.793651	0.799705	0	0.8	(PERCENT)
Beginning Stocks	35	40	560	400	40	65	(1000 MT)
Production	3765	3930	3950	4340	0	4440	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**3800**	**3970**	**4510**	**4740**	**40**	**4505**	(1000 MT)
MY Exports	1850	2000	2900	3400	0	3000	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	90	200	90	225	0	250	(1000 MT)
Feed Waste Dom. Consum	1300	1370	1480	1050	0	1175	(1000 MT)
TOTAL Dom. Consumption	1390	1570	1570	1275	0	1425	(1000 MT)
Ending Stocks	560	400	40	65	0	80	(1000 MT)
TOTAL DISTRIBUTION	**3800**	**3970**	**4510**	**4740**	**0**	**4505**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 3: Commodity, Oil, Soybean, PSD

PSD Table							
Country	**India**						
Commodity	**Oil, Soybean**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	4710	4910	4977	5427	0	5550	(1000 MT)
Extr. Rate, 999.9999	0.17983	0.179226	0.179827	0.178736	0	0.178378	(PERCENT)
Beginning Stocks	98	110	250	145	115	150	(1000 MT)
Production	847	880	895	970	0	990	(1000 MT)
MY Imports	1943	2025	1700	2000	0	2000	(1000 MT)
MY Imp. from U.S.	18	20	20	20	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**2888**	**3015**	**2845**	**3115**	**115**	**3140**	(1000 MT)
MY Exports	10	10	10	10	0	10	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	2628	2860	2720	2955	0	2980	(1000 MT)
Feed Waste Dom. Consum	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	2628	2860	2720	2955	0	2980	(1000 MT)
Ending Stocks	250	145	115	150	0	150	(1000 MT)
TOTAL DISTRIBUTION	**2888**	**3015**	**2845**	**3115**	**0**	**3140**	(1000 MT)
Calendar Year Imports	914	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	9	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 4: Commodity, Oilseed, Rapeseed, PSD

PSD Table							
Country	India						
Commodity	Oilseed, Rapeseed				(1000 HA) (1000 MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Area Planted	6900	7150	7200	7300	0	7100	(1000 HA)
Area Harvested	6900	7150	7200	7300	0	7100	(1000 HA)
Beginning Stocks	610	610	802	1640	980	2300	(1000 MT)
Production	6500	6500	6800	6800	0	6500	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**7110**	**7110**	**7602**	**8440**	**980**	**8800**	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	5448	4650	5737	5225	0	6000	(1000 MT)
Food Use Dom. Consump.	630	590	635	640	0	650	(1000 MT)
Feed,Seed,Waste Dm.Cn.	230	230	250	275	0	270	(1000 MT)
TOTAL Dom. Consumption	6308	5470	6622	6140	0	6920	(1000 MT)
Ending Stocks	802	1640	980	2300	0	1880	(1000 MT)
TOTAL DISTRIBUTION	**7110**	**7110**	**7602**	**8440**	**0**	**8800**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 5: Commodity, Meal, Rapeseed, PSD

PSD Table							
Country	**India**						
Commodity	**Meal, Rapeseed**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	5448	4650	5737	5225	0	6000	(1000 MT)
Extr. Rate, 999.9999	0.598018	0.580645	0.598048	0.593301	0	0.6	(PERCENT)
Beginning Stocks	397	0	281	0	99	100	(1000 MT)
Production	3258	2700	3431	3100	0	3600	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**3655**	**2700**	**3712**	**3100**	**99**	**3700**	(1000 MT)
MY Exports	627	540	700	600	0	700	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Consum	2747	2160	2913	2400	0	2900	(1000 MT)
TOTAL Dom. Consumption	2747	2160	2913	2400	0	2900	(1000 MT)
Ending Stocks	281	0	99	100	0	100	(1000 MT)
TOTAL DISTRIBUTION	**3655**	**2700**	**3712**	**3100**	**0**	**3700**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 6: Commodity, Oil, Rapeseed, PSD

PSD Table							
Country	**India**						
Commodity	**Oil, Rapeseed**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	5448	4650	5737	5225	0	6000	(1000 MT)
Extr. Rate, 999.9999	0.379038	0.376344	0.378944	0.382775	0	0.383333	(PERCENT)
Beginning Stocks	0	114	0	125	0	125	(1000 MT)
Production	2065	1750	2174	2000	0	2300	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**2065**	**1864**	**2174**	**2125**	**0**	**2425**	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	2065	1739	2174	2000	0	2275	(1000 MT)
Feed Waste Dom. Consum	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	2065	1739	2174	2000	0	2275	(1000 MT)
Ending Stocks	0	125	0	125	0	150	(1000 MT)
TOTAL DISTRIBUTION	**2065**	**1864**	**2174**	**2125**	**0**	**2425**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 7: Commodity, Oilseed, Peanut, PSD

PSD Table							
Country	**India**						
Commodity	**Oilseed, Peanut**				(1000 HA) (1000 MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Area Planted	8300	6800	8300	6900	0	6900	(1000 HA)
Area Harvested	8000	6800	7800	6900	0	6900	(1000 HA)
Beginning Stocks	70	70	55	55	25	50	(1000 MT)
Production	6800	7000	6600	7200	0	7000	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
My Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**6870**	**7070**	**6655**	**7255**	**25**	**7050**	(1000 MT)
MY Exports	192	150	100	130	0	140	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	5229	4975	4880	5075	0	4910	(1000 MT)
Food Use Dom. Consump.	541	800	600	950	0	950	(1000 MT)
Feed,Seed,Waste Dm.Cn.	853	1090	1050	1050	0	1000	(1000 MT)
TOTAL Dom. Consumption	6623	6865	6530	7075	0	6860	(1000 MT)
Ending Stocks	55	55	25	50	0	50	(1000 MT)
TOTAL DISTRIBUTION	**6870**	**7070**	**6655**	**7255**	**0**	**7050**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 8: Commodity, Meal, Peanut, PSD

PSD Table							
Country	**India**						
Commodity	**Meal, Peanut**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	5229	4975	4880	5075	0	4910	(1000 MT)
Extr. Rate, 999.9999	0.390132	0.38995	0.390779	0.390148	0	0.391039	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	2040	1940	1907	1980	0	1920	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**2040**	**1940**	**1907**	**1980**	**0**	**1920**	(1000 MT)
MY Exports	87	87	70	150	0	100	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	9	9	10	10	0	0	(1000 MT)
Feed Waste Dom. Consum	1944	1844	1827	1820	0	1820	(1000 MT)
TOTAL Dom. Consumption	1953	1853	1837	1830	0	1820	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**2040**	**1940**	**1907**	**1980**	**0**	**1920**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 9: Commodity, Oil, Peanut, PSD

PSD Table							
Country	**India**						
Commodity	**Oil, Peanut**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	5229	4975	4880	5075	0	4910	(1000 MT)
Extr. Rate, 999.9999	0.329891	0.329648	0.329303	0.329064	0	0.329939	(PERCENT)
Beginning Stocks	111	101	75	35	40	45	(1000 MT)
Production	1725	1640	1607	1670	0	1620	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**1836**	**1741**	**1682**	**1705**	**40**	**1665**	(1000 MT)
MY Exports	25	20	20	20	0	20	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	26	21	18	20	0	20	(1000 MT)
Food Use Dom. Consump.	1710	1665	1604	1620	0	1600	(1000 MT)
Feed Waste Dom. Consum	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	1736	1686	1622	1640	0	1620	(1000 MT)
Ending Stocks	75	35	40	45	0	25	(1000 MT)
TOTAL DISTRIBUTION	**1836**	**1741**	**1682**	**1705**	**0**	**1665**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 10: Commodity, Oilseed, Cottonseed, PSD

PSD Table							
Country	India						
Commodity	Oilseed, Cottonseed				(1000 HA) (1000 MT) (RATIO)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Area Planted (COTTON)	9100	8920	9300	8826	0	9010	(1000 HA)
Area Harvested(COTTON)	8920	8920	8850	8826	0	9010	(1000 HA)
Seed to Lint Ratio	0	0	0	0	0	0	(RATIO)
Beginning Stocks	96	0	130	125	100	130	(1000 MT)
Production	8070	8125	7800	7830	0	8000	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**8166**	**8125**	**7930**	**7955**	**100**	**8130**	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	5900	6400	5865	6225	0	6400	(1000 MT)
Food Use Dom. Consump.	0	0	0	0	0	0	(1000 MT)
Feed,Seed,Waste Dm.Cm.	2136	1600	1965	1600	0	1660	(1000 MT)
TOTAL Dom. Consumption	8036	8000	7830	7825	0	8060	(1000 MT)
Ending Stocks	130	125	100	130	0	70	(1000 MT)
TOTAL DISTRIBUTION	**8166**	**8125**	**7930**	**7955**	**0**	**8130**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 11: Commodity, Meal, Cottonseed, PSD

PSD Table							
Country	**India**						
Commodity	**Meal, Cottonseed**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	5900	6400	5865	6225	0	6400	(1000 MT)
Extr. Rate, 999.9999	0.469831	0.46875	0.465132	0.465863	0	0.46875	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	2772	3000	2728	2900	0	3000	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**2772**	**3000**	**2728**	**2900**	**0**	**3000**	(1000 MT)
MY Exports	1	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Consum	2771	3000	2728	2900	0	3000	(1000 MT)
TOTAL Dom. Consumption	2771	3000	2728	2900	0	3000	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**2772**	**3000**	**2728**	**2900**	**0**	**3000**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 12: Commodity, Oil, Cottonseed, PSD

PSD Table							
Country	**India**						
Commodity	**Oil, Cottonseed**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	5900	6400	5865	6225	0	6400	(1000 MT)
Extr. Rate, 999.9999	0.14322	0.109375	0.143223	0.110843	0	0.109375	(PERCENT)
Beginning Stocks	30	0	45	0	15	0	(1000 MT)
Production	845	700	840	690	0	700	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**875**	**700**	**885**	**690**	**15**	**700**	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	30	40	30	45	0	45	(1000 MT)
Food Use Dom. Consump.	800	660	840	645	0	655	(1000 MT)
Feed Waste Dom. Consum	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	830	700	870	690	0	700	(1000 MT)
Ending Stocks	45	0	15	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**875**	**700**	**885**	**690**	**0**	**700**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 13: Commodity, Oilseed, Sunflowerseed, PSD

PSD Table							
Country	**India**						
Commodity	**Oilseed, Sunflowerseed**				(1000 HA) (1000 MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Area Planted	0	2300	0	2400	0	2500	(1000 HA)
Area Harvested	2850	2300	3000	2400	0	2500	(1000 HA)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	1750	1224	1850	1416	0	1500	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**1750**	**1224**	**1850**	**1416**	**0**	**1500**	(1000 MT)
MY Exports	3	1	0	1	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	1595	1063	1690	1245	0	1325	(1000 MT)
Food Use Dom. Consump.	0	0	0	0	0	0	(1000 MT)
Feed,Seed,Waste Dm.Cn.	152	160	160	170	0	175	(1000 MT)
TOTAL Dom. Consumption	1747	1223	1850	1415	0	1500	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**1750**	**1224**	**1850**	**1416**	**0**	**1500**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 14: Commodity, Meal, Sunflowerseed, PSD

PSD Table							
Country	**India**						
Commodity	**Meal, Sunflowerseed**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	1595	1063	1690	1245	0	1325	(1000 MT)
Extr. Rate, 999.9999	0.445768	0.442145	0.447337	0.441767	0	0.437736	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	711	470	756	550	0	580	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**711**	**470**	**756**	**550**	**0**	**580**	(1000 MT)
MY Exports	23	5	20	3	0	3	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Consum	688	465	736	547	0	577	(1000 MT)
TOTAL Dom. Consumption	688	465	736	547	0	577	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**711**	**470**	**756**	**550**	**0**	**580**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 15: Commodity, Oil, Sunfloweseed, PSD

PSD Table							
Country	**India**						
Commodity	**Oil, Sunflowerseed**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	1595	1063	1690	1245	0	1325	(1000 MT)
Extr. Rate, 999.9999	0.354232	0.395108	0.354438	0.393574	0	0.392453	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	565	420	599	490	0	520	(1000 MT)
MY Imports	10	6	80	100	0	100	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**575**	**426**	**679**	**590**	**0**	**620**	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	575	426	679	590	0	620	(1000 MT)
Feed Waste Dom. Consum	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	575	426	679	590	0	620	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**575**	**426**	**679**	**590**	**0**	**620**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 16: Commodity, Oilseed, Copra, PSD

PSD Table							
Country	**India**						
Commodity	**Oilseed, Copra**				(1000 HA) (1000 TREES) (1000 MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Area Planted	0	0	0	0	0	0	(1000 HA)
Area Harvested	0	0	0	0	0	0	(1000 HA)
Trees	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	735	735	735	750	0	750	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**735**	**735**	**735**	**750**	**0**	**750**	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	735	735	735	750	0	750	(1000 MT)
Food Use	0	0	0	0	0	0	(1000 MT)
Feed,Seed,Waste Dm.Cn.	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	735	735	735	750	0	750	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**735**	**735**	**735**	**750**	**0**	**750**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 17: Commodity, Meal, Copra, PSD

PSD Table							
Country	**India**						
Commodity	**Meal, Copra**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	735	735	735	750	0	750	(1000 MT)
Extr. Rate, 999.9999	0.333333	0.333333	0.333333	0.333333	0	0.333333	(PERCENT)
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	245	245	245	250	0	250	(1000 MT)
MY Imports	77	0	90	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**322**	**245**	**335**	**250**	**0**	**250**	(1000 MT)
MY Exports	1	0	1	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	7	5	7	7	0	10	(1000 MT)
Feed Waste Dom. Consum	314	240	327	243	0	240	(1000 MT)
TOTAL Dom. Consumption	321	245	334	250	0	250	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**322**	**245**	**335**	**250**	**0**	**250**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 18: Commodity, Oil, Coconut, PSD

PSD Table							
Country	**India**						
Commodity	**Oil, Coconut**				(1000 MT) (PERCENT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Crush	735	735	735	750	0	750	(1000 MT)
Extr. Rate, 999.9999	0.628571	0.628571	0.628571	0.626667	0	0.626667	(PERCENT)
Beginning Stocks	24	17	25	0	25	0	(1000 MT)
Production	462	462	462	470	0	470	(1000 MT)
MY Imports	10	10	10	10	0	10	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**496**	**489**	**497**	**480**	**25**	**480**	(1000 MT)
MY Exports	5	0	6	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	231	235	232	235	0	250	(1000 MT)
Food Use Dom. Consump.	235	254	234	245	0	230	(1000 MT)
Feed Waste Dom. Consum	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	466	489	466	480	0	480	(1000 MT)
Ending Stocks	25	0	25	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	**496**	**489**	**497**	**480**	**0**	**480**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 19: Commodity, Oil, Palm, PSD

PSD Table							
Country	**India**						
Commodity	**Oil, Palm**				(1000 HA) (1000 TREES) (1000 MT)		
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		10/2004		10/2005		10/2006	MM/YYYY
Area Planted	0	35	0	40	0	40	(1000 HA)
Area Harvested	0	30	0	30	0	30	(1000 HA)
Trees	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	50	177	108	180	68	93	(1000 MT)
Production	40	40	40	40	0	40	(1000 MT)
MY Imports	3729	3100	3800	2700	0	2900	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	**3819**	**3317**	**3948**	**2920**	**68**	**3033**	(1000 MT)
MY Exports	1	2	2	2	0	3	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	210	230	210	225	0	220	(1000 MT)
Food Use Dom. Consump.	3500	2905	3668	2600	0	2720	(1000 MT)
Feed Waste Consumption	0	0	0	0	0	0	(1000 MT)
TOTAL Dom. Consumption	3710	3135	3878	2825	0	2940	(1000 MT)
Ending Stocks	108	180	68	93	0	90	(1000 MT)
TOTAL DISTRIBUTION	**3819**	**3317**	**3948**	**2920**	**0**	**3033**	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

SECTION III – NARRATIVE

OILSEEDS

Production

Assuming timely and well-distributed rains this summer, MY 2006/07 total oilseeds production is forecast at 30.2 million tons, unchanged from the MY 2005/06 revised estimate. Better returns from oilseeds vis-à-vis competing crops during the current marketing year, higher government support prices for oilseeds, and large-scale rapeseed procurement operations by the government are likely to have a positive impact on the next crop, whose planting will start with the onset of the monsoon in June. However, in the case of winter season crops, a high price realization for wheat this year could prompt farmers to switch to wheat from competing rapeseed in north and central India. However, there is unlikely to be any significant shift in the overall area planted with oilseeds. According to current trade estimates based on crushing figures, soybean production in MY 2005/26 was higher at 6.3 million tons. Area and production estimates for various oilseeds, particularly for peanut, cotton, and sunflower for MY 2004/05 and 2005/06 were revised to reflect latest government/trade figures.

Faced with considerable weather and price related risks, input application by most oilseed farmers is negligible, although soybean farmers are reportedly switching to some newer varieties. Major oilseed yields in India are significantly below the world averages due to poor seeds, low seed replacement rate, lack of irrigation, and low fertilizer application.

Consumption

Almost 80 percent of the oilseeds production is crushed for oil, mostly in a large number of relatively small-scale, low-technology plants, called "*ghanis*". Small but growing quantities of various oilseeds go for direct food use as table nuts (mostly peanuts), valued added soy products or condiments (mostly mustard seeds). Feed use is mostly confined to cotton seeds, with an estimated 1.6 million tons going directly as dairy feed, despite industry efforts to discourage this practice.

Stocks

Following a record procurement of rapeseed/mustard under the price support operation at a lucrative price of rs. 17,000 ($378) per ton in MY 2004/05, carryover stocks with the government rose sharply to 1.7 million tons. With another record procurement expected this year at a hiked support price of rs. 17,150 ($381) per ton, stocks are expected to rise further in MY 2005/06. The government is in a dilemma, as there are no takers for the rapeseed at such high prices due to lack of parity. Stocks of other oilseeds are mostly insignificant.

Trade

Hand Picked Select (HPS) peanut exports in MY 2005/06 are forecast at 140,00 tons, mostly to South Asian countries and the EU. Exports to the EU face challenges due to the issue of Rapid Alerts against Indian peanuts. The Indian Oilseed & Produce Exporters' Association (IOPEA) along with the government's Agricultural and Processed Food Products Export Development Authority (APEDA) are jointly trying to address this issue. Other oilseeds exported from India include sesame and niger (not covered under this report) and small quantities of sunflower and rapeseed. Oilseed imports, though no longer restricted by quantitative measures, are prevented by high tariffs and phytosanitary regulations. The oilseeds processing industry is not united in support of imports.

OILMEALS

Production

MY 2006/07 oil meal production is forecast to increase to 13.8 million tons from the estimated 13.1 million tons in MY 2005/06, with most of the increase likely in rapeseed meal due to larger supplies. MY 2005/06 production included 4.3 million tons soybean meal, 3.1 million tons rapeseed meal, 2 million tons peanut meal, and 2.9 million tons cottonseed meal. Indian soybean meal typically has a higher protein content, commanding a premium in the export market. Higher export demand kept domestic soy meal prices higher.

Consumption

MY 2006/07 oil meal consumption is forecast to rebound to 10.0 million tons (including 1.4 million tons of soybean meal and 1.8 million tons of peanut meal), up from 9.2 million tons in MY 2005/06. Lower MY 2005/06 consumption is attributed to higher prices for soy meal as a result of larger export demand and the aftermath of Avian Influenza outbreak in some parts of the country, which badly affected the poultry sector. The forecast higher soybean meal consumption in MY 2006/07 is on the assumption of a resurgence in the poultry sector. Food use of soy meal is mostly confined to the production of fat-free soy flour, texturized soy protein, soy milk, and tofu, which the American Soybean Association International Marketing is trying to promote. The organized feed industry uses mostly soy meal, but also includes the meals of peanut, sunflower seed, and rapeseed, which are plentifully available at cheaper prices, in formulations. Faster income growth is strengthening demand for dairy and meat products leading to increased demand for various feed ingredients, including oil meals.

Trade

MY 2006/07 oil meal exports are forecast to level off or marginally decline after record exports in MY 2005/06, due to increased domestic demand. Soybean meal accounts for a major share of India's total oil meal exports. Higher protein content, ability to export in small volumes in bags at a short notice, geographical proximity to some of the major importing countries in South East Asia, and the Middle East are advantages. Indian exporters are also trying to cash in on its "GMO-free" theme. In MY 2005/06 Indian soybean meal exports to South Korea, Japan, and China also registered significant growth. Exports of other oil meals, with the exception of rapeseed meal, are negligible. Although there are no quantitative restrictions on oil meal imports, the 30.6 percent import duty and the ample availability of cheaper feed materials discourage imports.

OILS

Production

MY 2006/07 edible oil production is forecast to increase by 5 percent to 6.6 million tons, largely due to anticipated larger crush of high oil bearing rapeseed. Most other oil production is expected to remain unchanged. Other edible oils produced and consumed domestically, but not included in the report are rice bran oil, sesame seed oil, safflower seed oil, and various minor oils, which together totals around 1 million tons. There is no large commercial production of palm oil.

Consumption

Post forecasts MY 2007/07 edible oil consumption to increase by 3.6 percent to 11.6 million tons. At 3.0 million tons, imported palm oil remains the primary edible oil that is consumed because of its lower prices, versatility to blend with other costlier oils, and acceptability in most parts of the country. Soybean oil is the second largest oil consumed because of its lower price vis-à-vis peanut oil and sunflower seed oil. The major domestic oils consumed are rapeseed oil (2.0 million tons) and peanut oil (1.6 million tons). Most of the food use of coconut oil is in the south Indian state of Kerala, with a major share of this oil going for industrial use. Health consciousness among the higher income group is fuelling consumption of sunflower and safflower seed oil, which are considered as healthy oils, commanding a premium.

Edible oil consumption in India is growing at around 6 percent annually, fueled by growing consumer income and larger availability of imported oils at cheaper prices. Per capita consumption at around 11 kilograms per year, is highly skewed in favor of high income consumers. Imported oils now constitute about 50 percent of total oil consumption.

Trade

Edible oil imports are forecast at 5.0 million tons in MY 2006/07, with the actual composition largely influenced by the relative price of soybean oil vis-à-vis palm oil. Post currently forecasts palm oil imports at 2.9 million tons and soybean oil imports at 2.0 million tons. Large differentials between soybean and palm oil tariffs should provide a market advantage for soybean oil, provided prices are reasonable. However, the recent government notification, requiring a declaration whether the imported agricultural/food product contains genetically engineered products and if so getting prior approval from the government's Genetic Engineering Approval Committee for such imports could adversely impact soybean oil imports, unless this issue is resolved. The U.S. share of the Indian soybean oil market is negligible because of higher prices vis-à-vis Argentina and Brazil.

The government influences the cost of imported oils through a system of "tariff values" or administered import prices, which are the base for tariff calculation. For current applicable tariff value, see Table 1. The tariff values are adjusted periodically to reflect world prices, although there are instances when the tariff value for soybean is higher than the global price, resulting in an effective tariff above the WTO bound rate of 45 percent.

TRADE POLICY

The Annual Supplement to the Indian government's Foreign Trade Policy (2004-2009) announced by Commerce and Industry Minister on April 7, 2006, calls for approval from the government's Genetic Engineering Approval Committee (GEAC) for imports of genetically modified (GM) food, food additives, or any food product that contains GM material which is being used either for industrial production, environmental release, or field application. Also, import consignments containing GM products should carry a declaration that the product is genetically modified, failure of which the importer is liable to penal action under the Foreign Trade (Development and Regulation) Act, 1992. The implementation of this rule was later postponed until July 7, 2006.

In the Indian government budget for IFY 2006/07 (April-March), the Finance Minister introduced a 4 percent Special Countervailing Duty (CVD) on all imports with a few exceptions, to account for the VAT and other taxes applicable to domestic products but not to imported goods. The special CVD is applicable even to those products for which the current applied rate is at the WTO bound rate, including soybean oil. Although Post has represented to the Ministry of Finance saying that the new CVD on soybean oil is in violation of the WTO rules, an official response is still pending. In the IFY 2006/07 Budget, the duty on margarine and other similar preparations, falling under HS Code 1517 or 1518, was increased from 30 percent to 80 percent.

Table 1: Current Tariff Value for Palm and Soybean Oil

Edible oil	$ per Ton
Crude Palm Oil	420
Crude Palmolein	442
RBD Palm Oil	435
RBD Palmolein	445
Other Palm Oil	428
Other Palmolein	444
Crude Degummed Soybean Oil	518

For a detailed analysis of Indian oilseed and vegetable oil policy issues, please refer to the Report, "The Role of Policy and Industry Structure in India's Oilseed Markets" by Suresh Persaud and Maurice R. Landes, Economic Research Service, USDA at http://www.ers.usda.gov/publications/ERR17/ERR17.pdf