



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

**Date:** 7/31/2006

**GAIN Report Number:** IN6065

## India

### Oilseeds and Products

## Monthly Lock-up Report: August 2006

**Approved by:**

Michael Riedel  
U.S. Embassy, New Delhi

**Prepared by:**

Deepa Dhankhar

---

**Report Highlights:**

The Kharif (fall-harvested) oilseed planting this year is marginally lagging behind last year's level, but is expected to gain momentum following rains in major growing regions since mid-July. Vegetable oil imports from November 2005 through June 2006 are 18 percent below last year's level. Effective July 14, 2006, the Indian government revised the tariff values of vegetable oils upward. On July 20, 2006, the government of India (GOI) exempted soybean oil imports from the mandatory biotech requirements, until March 31, 2007 (see GAIN report 6030).

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1]  
[IN]

### Oilseed planting lagging

The Planting of *kharif* oilseed crops at 11.6 million hectares this year, which include mostly peanut and soybeans, is 500,000 hectares behind last year's level, due to the late arrival of monsoon rains. Soybean planting in Madhya Pradesh and Maharashtra, the major growing states, has so far reportedly covered 91 percent and 84 percent, respectively, of the normal area, but is expected to increase following rains during the second half of July.

### Vegetable oil imports down

Vegetable oil imports from November 2005 through June 2006 were around 500,000 tons below the previous year's level, and now stand at 2.6 million tons. Based on the data compiled by the Solvent Extractors' Association of India (SEA), the fall in imports was mostly confined to palm oil and products, which attract higher import duties vis-à-vis soybean oil. The following table shows vegetable oil import by type and by month from November 2005 through June 2006.

India: Vegetable Oil Imports November'05 –to June'06 (tons)										
	Nov'05	Dec'05	Jan'06	Feb'06	Mar'06	Apr'06	May'06	June'06	Nov-June'06	Nov-June'05
RBD palmolein	11,248	18,339	16,185	12,114	9,084	6,199	5,300	8,249	86,718	315,149
Crude palm oil	196,196	138,683	59,355	133,139	202,022	175,313	240,112	188,007	1,332,827	1,510,676
Crude palmolein	1,998	999	3,740	7,999	5,698	12,171	3,299	3,399	39,303	154,761
Crude palm kernel oil	8,247	750	0	500	1,499	1,507	2,600	2,509	17,612	27,368
<b>Total palm oil</b>	<b>217,689</b>	<b>158,771</b>	<b>79,280</b>	<b>153,752</b>	<b>218,303</b>	<b>195,190</b>	<b>251,311</b>	<b>202,164</b>	<b>1,476,460</b>	<b>2,007,954</b>
Crude soybean oil	108,896	47,100	111,212	92,704	169,800	159,094	129,500	182,614	1,000,920	1,021,162
Refined soybean oil	0	2,197	0	0	9,060	0	0	0	11,257	25,003
<b>Total soybean oil</b>	<b>108,896</b>	<b>49,297</b>	<b>111,212</b>	<b>92,704</b>	<b>178,860</b>	<b>159,094</b>	<b>129,500</b>	<b>182,614</b>	<b>1,012,177</b>	<b>1,046,165</b>
Crude sunflower oil	0	12,000	38,749	21,595	3,000	0	8,500	3,000	86,844	2,018
Refined sunflower oil	0	0	0	1,050	0	0	0	0	1,050	0
<b>Total sunflower oil</b>	<b>0</b>	<b>12,000</b>	<b>38,749</b>	<b>22,645</b>	<b>3,000</b>	<b>0</b>	<b>8,500</b>	<b>3,000</b>	<b>87,894</b>	<b>2,018</b>
Coconut oil	1,000	0	0	999	0	0	9,840	500	12,339	6,782
<b>TOTAL</b>	<b>327,585</b>	<b>220,068</b>	<b>229,241</b>	<b>270,100</b>	<b>400,163</b>	<b>354,284</b>	<b>399,151</b>	<b>388,278</b>	<b>2,588,870</b>	<b>3,062,919</b>

Source: Solvent Extractors' Association of India ([www.seaofindia.com](http://www.seaofindia.com))

**Vegetable oil tariff values increase again**

The GOI increased the tariff values for crude soybean oil and the palm-group of oils by \$37 per ton and by \$4-16 per ton, respectively, effective July 14, 2006 (see GAIN report IN6059). The table below shows the revised tariff values for vegetable oils:

Type of Oil	Previous (\$ per ton) Effective 06/30/06	Revised (\$ per ton) Effective 07/14/06
Crude Palm Oil	428	432
RBD Palm Oil	443	459
Other-Palm Oil	434	446
Crude Palmolein	450	460
RBD Palmolein	453	463
Other-Palmolein	452	462
Crude Soybean Oil	529	566

Source: Solvent Extractors' Association of India ([www.seaofindia.com](http://www.seaofindia.com))

**Vegetable oil tariff values increase again**

The GOI increased the tariff values for crude soybean oil and the palm-group of oils by \$37 per ton and by \$4-16 per ton, respectively, effective July 14, 2006 (see GAIN report IN6059). The table below shows the revised tariff values for vegetable oils:

Type of Oil	Previous (\$ per ton) Effective 06/30/06	Revised (\$ per ton) Effective 07/14/06
Crude Palm Oil	428	432
RBD Palm Oil	443	459
Other-Palm Oil	434	446
Crude Palmolein	450	460
RBD Palmolein	453	463
Other-Palmolein	452	462
Crude Soybean Oil	529	566

Source: [www.cbec.gov.in/cae/customs/cs-act/notifications/notfns-2k6/csnt82-2k6.htm](http://www.cbec.gov.in/cae/customs/cs-act/notifications/notfns-2k6/csnt82-2k6.htm)

The customs authorities calculate the import duties for edible oils by taking these tariff values as a base.

**Oilmeal Exports Up**

Oilmeal exports for the first quarter of the Indian Fiscal Year (IFY, April-March), 2006/07 registered a 2 percent increase over the corresponding period of IFY 2005/06, with the increase mostly confined to soybean meal. The increase in oilmeal exports is mainly attributed to Indian oilmeal price competitiveness in the international market.

**OILMEAL EXPORTS (tons)**

Month	Soybean	Rapeseed	Peanut	Rice bran	Sun flower	Castor	TOTAL
April 2006	316,925	53,425	12,400	5,650	---	10,825	399,225
May 2006	140,075	77,400	18,525	4,750	---	15,575	256,325
June 2006	108,975	79,900	12,175	11,000	---	7,600	219,650
Total (Apr-June)'06	565,975	210,725	43,100	21,400	---	34,000	875,200
Total (Apr-June)'05	371,100	241,525	24,875	19,550		88,225	718,275
IFY 2005/06	3,424,600	533,275	137,925	125,325	750	201,150	4,423,025
IFY 2004/05	1,861,325	588,805	121,475	43,056	4,790	70,750	2,690,201

Source: Solvent Extractors' Association of India

**Soybean oil imports exempted from GEAC clearance**

The Ministry of Commerce and Industry issued a notification on July 20, 2006, exempting soybean oil imports from the pre-import clearance and the biotech declaration requirements until March 31, 2007. Details of the notification can be found at <http://dgftcom.nic.in/exim/2000/not/not06/not2106.htm>. The notification lifts the precondition of getting import approvals from the Genetic Engineering Approval Committee (GEAC), as well as waiving the rule requiring a biotech declaration for all such import consignments of soybean oil. These two conditions were made mandatory for all biotech imports through a notification issued by the Ministry of Commerce and Industry on April 7, 2006, <http://164.100.9.245/exim/2000/not/not06/not0206.htm>, and made effective on July 8, 2006.