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Report Highlights:

India's soybean production estimate for marketing year (MY) 2021/22 (October-September) is lowered to 10.8 million metric tons (MMT) on account of delayed and erratic rainfall. Peanut production remains unchanged at 6.2 MMT. On August 25, 2021, the Indian government approved a 1.2 MMT quota for soybean meal derived from genetically modified soybeans to address high animal feed prices impacting the industry. Cumulative oil meal exports in the October 2020 to July 2021 period grew 80 percent over the same period last year, with soybean meal exports alone climbing 168 percent. Peanut oil exports for the current MY are estimated at 260,000 metric tons, primarily to China despite a three percent reduction in total edible oil imports.

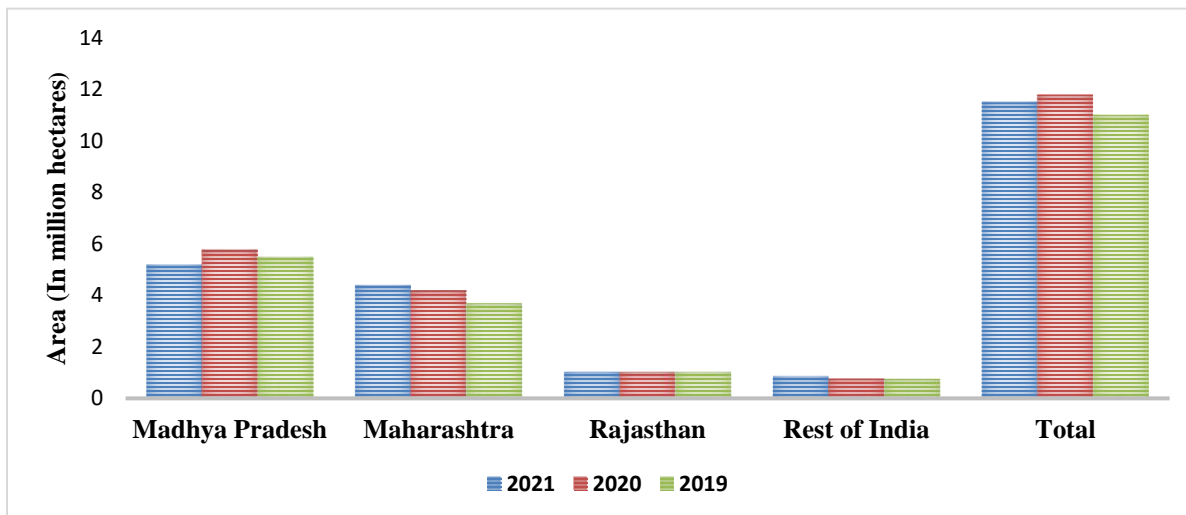
GENERAL INFORMATION:

2021 Southwest Monsoon Progress and *Kharif* (Fall Harvested) Planting

On June 3, 2021, India's southwest monsoon (June-September) first arrived in Kerala. The Indian Meteorological Department (IMD) predicted normal rainfall, with 96 to 104 percent of the long period average (LPA). However, the resulting monsoon has been erratic, with cumulative rainfall from June 1 to July 21 five percent lower than the LPA, signaling delayed planting. Key soybean growing regions in central and northwest India experienced reduced rainfall of eight and nine percent respectively, whereas peanut growing regions in southern India experienced a 20 percent increase. However, prolonged episodes of persistent rainfall in July were observed in parts of Rajasthan and Madhya Pradesh, while Maharashtra and Gujarat witnessed subdued rainfall activity. As of August, cumulative rainfall has been two and 11 percent above normal in northwest and southern India, respectively, while trailing below one percent in central India. Normal rainfall is forecast through September, increasing expectations of higher farm productivity.

As of August 5, 2021, India's reservoir levels were measured at 98.43 billion cubic meters, approximately 130 percent above last year's storage volume and 120 percent of the average storage levels of the last ten years. According to the Ministry of Agriculture and Farmers Welfare (MoA), planting progress for soybeans as of August 5 was recorded at 11.5 million hectares (Mha), three percent below the corresponding period last year. Soybean production area in Madhya Pradesh has seen the maximum decline (Figure 1), owing to the late arrival and erratic monsoon that delayed sowing.

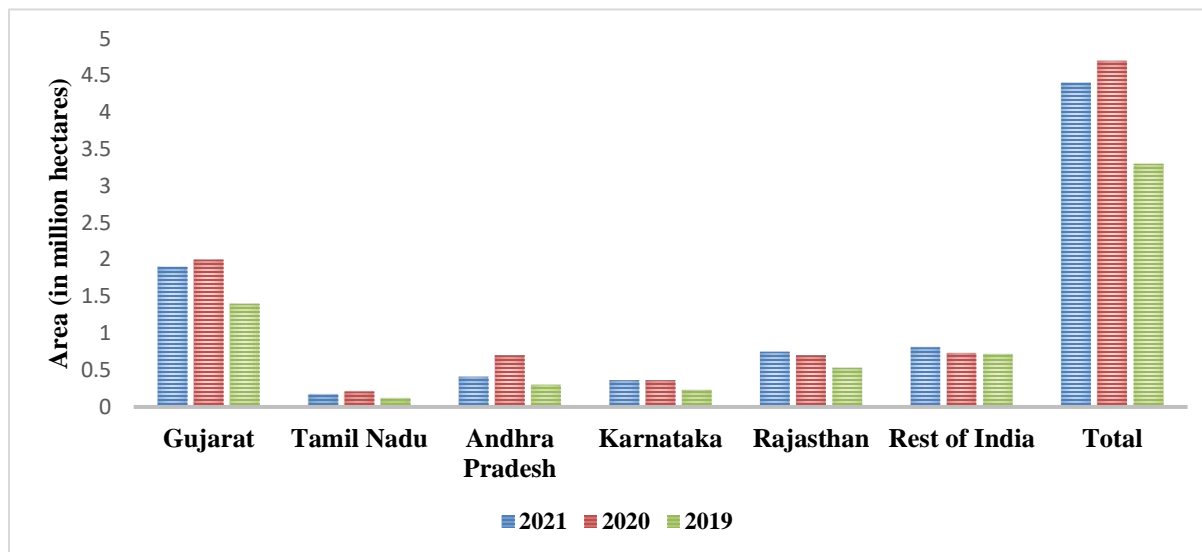
Figure 1: Soybean Planted Area (million hectares) as of August 5, 2021



Source: Directorate of Oilseeds Development, MoA

Kharif peanut planting was registered at 4.4 Mha, six percent below the corresponding period last year. Andhra Pradesh and Tamil Nadu witnessed the steepest decline compared to market year (MY) 2020/21, lagging 41 and 19 percent, respectively (Figure 2).

Figure 2: Peanut Planted area as of August 5, 2021 (million hectares)



Source: Directorate of Oilseeds Development, MoA

Policy

Kharif Oilseed Crop Minimum Support Prices

On June 9, 2021, the Indian government announced the Minimum Support Prices (MSP) for *kharif* (summer sown, autumn harvested) crops for Indian crop year (ICY) 2021/22. For oilseeds, the government increased the MSP for soybeans, peanuts, and sunflower seed by two, five and two percent, respectively (Table 1). The market year 2021/22 MSP increase for *kharif* crops aligns with the 2018/19 Union Budget announcement that fixes the MSP at a level of at least 1.5 times above the All-India weighted average cost of production, giving a reasonably fair remuneration for farmers (Source: [MoA](#)).

Table 1: India: Major Oilseed Minimum Support Prices (*Kharif*)

Commodity	Minimum Support Price (Indian Rupees/100 kg)			
	2021-22	2020-21	2019-20	2018-19
Soybean (yellow)	3950	3880	3710	3399
Peanut	5550	5275	5090	4890
Sunflower seed	6015	5885	5650	5388

Source: Directorate of Economics and Statistics and Directorate of Agricultural Marketing, Government of India

National Edible Oil Mission-Oil Palm

On May 20, 2021, the MoA presented a multi-pronged strategy to make India self-sufficient in oilseed production. The long-term policy aims to increase oilseed production area by an additional 0.63 million hectares and achieve a total production of 120.2 million metric tons (MMT). Furthermore, on August 9, 2021, Prime Minister Narendra Modi presented the National Edible Oil Mission-Oil Palm (NMEO-OP), a policy that attempts to make India self-reliant in edible oil production, with a special emphasis on palm oil. The policy provides increased access to quality seed and technology, with an investment totaling \$1.48 billion (INR 11,000

crores¹) in the edible oil value chain. The NMEO-OP (Source: [Press Information Bureau](#) [PIB]) is comprised of four sub-missions in the larger National Oilseeds Mission, including,

- Increasing oil production from primary sources including soybean, rapeseed-mustard, peanut, sunflower, and safflower,
- Increasing oil production as a by-product from secondary sources,
- Establishing processing units, and
- Creating consumer awareness on the benefits of economical consumption of oil.

Previously, on May 20, 2021, the Indian government announced its Kharif Strategy 2021 which attempts to achieve self-sufficiency in oilseeds. The program aims to bring an additional 0.63 Mha of land under oilseed production (Source: [PIB](#)). Through this program, the government has prioritized increasing peanut and soybean production through improved, high yielding seed varieties. Seed and other crop inputs are provided to farmers under the National Food Security Mission² that includes:

- Soybean seed distribution for intercropping purposes, provided to 41 districts in Madhya Pradesh, Maharashtra, Rajasthan, Gujarat, Karnataka, Telangana, and Chhattisgarh, valued at \$10.02 million³ (Indian Rupee [INR] 76.03 crore) and covering 147,500 hectares.
- Soybean seed distribution for high-potential regions, provided to 73 districts in Madhya Pradesh, Maharashtra, Rajasthan, Telangana, Karnataka, Uttar Pradesh, Chhattisgarh, and Gujarat, valued at \$13.9 million (INR 104 crore) and covering 390,000 hectares.
- Distribution of 74,000 groundnut seed mini-kits to farmers in Gujarat, Andhra Pradesh, Rajasthan, Karnataka, Maharashtra, Madhya Pradesh, and Tamil Nadu, valued at \$1.75 million (INR 13.03 crore).
- Distribution of 816,435 seed mini-kits in 90 districts covering 1.01 million hectares located in Madhya Pradesh, Maharashtra, Rajasthan, Karnataka, Telangana Chhattisgarh, Gujarat, Uttar Pradesh, and Bihar, valued at \$5.3 million (INR 40 crore).

Remission of Duties and Taxes on Exported Products

On August 17, 2021, the Ministry of Commerce and Industry, Government of India, notified the long-awaited guidelines and effective rates under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme, which had replaced the previous Merchandise Export from India Scheme (MEIS) on January 1, 2021.⁴ The Indian government allocated \$1.74 billion (INR 13,000 crore) for the export credit program, which is significantly lower than the \$6.7 billion in cumulative disbursements previously provided through MEIS (See: [GAIN IN2021-0043](#)). Oilseeds and Products under Chapter 23 will attract RoDTEP rates between 0.5 to four percent (freight on board value).

Genetically Modified Soybean Meal Imports Permitted Through October

On August 24, 2021, the Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry published a directive in the Gazette of India Extraordinary that will officially permit India to import 1.2 million metric tons (MMT) of soybean meal and soy cake derived from genetically engineered (GE) soybeans through October 31, 2021. The DGFT cites no objection from Ministry of Environment and Forest on the import of

¹ 1 *crore* equals ten million.

² For more details, refer to [GAIN IN2021-0043](#).

³ \$1 USD= Indian Rupee (INR) 74.40 as of August 25, 2021.

⁴ The RoDTEP policy arose following the United States' challenge of India's MEIS scheme at the World Trade Organization.

soybean meal derived from GE-soybeans as it does not contain any living modified organism (LMO). According to the DGFT [notification](#), imports are restricted through two ports—Jawaharlal Nehru Port Trust (JNPT), Nhava Sheva (India’s largest container port near Mumbai), and LCS Petrapole, a land port on the Indo-Bangladesh border.

High Animal Feed Prices Driving Change

Soybean meal is the most common protein source⁵ for all compound feeds for India’s poultry, dairy, aquaculture, and pork producing sectors. However, in January 2021, Indian domestic soybean meal prices climbed without warning, and July-August prices have soared to unprecedented highs, increasing 118 percent from February 2021 (Figure 4), impacting the business viability of poultry, dairy, livestock, and aquaculture (shrimp) producers, necessitating relief. Beginning March 2021, India’s poultry feed industry began aggressively petitioning the Indian government for relief, seeking authorization to import soybean meal derived from GE-soybeans (See [GAIN: IN2021-0102](#)).

Larger Objectives

The Indian government’s permitting of GE-soybean meal imports is largely aimed to address the soaring prices of domestic soybean meal and may push market speculators and traders to release held domestic stocks. As of August 25, 2021, many soybean meal traders have entered advance-supply contracts for soybean meal from Bangladesh, estimated at 150,000 metric tons (MT). At the same time, soybean meal domestic prices have gone down four percent and settled at \$1,112/MT as of August 29, 2021.

Impact on U.S. suppliers

While most soybean meal is shipped in bulk, the measure limits GE-soymeal imports to containerized shipments, affecting potential supplies from major global soybean meal exporters from North and South America, including Argentina, Brazil, and the United States. This policy will benefit regional suppliers including Bangladesh, Vietnam and Malaysia and other transshipment sources include the United Arab Emirates (UAE) and Singapore. However, the current global container shortage, COVID-19 induced supply chain disruptions in South Asia, as well as Bangladesh’s lower crush capacity, may limit regional soymeal producers’ ability to supply the full 1.2 MMT quota volume.

⁵ Soymeal/soy de-oiled cake, the solid substance left after oil is expelled from the seed, forms the 30 percent component of poultry feed, with corn accounting for the remaining carbohydrate component (70 percent) of the feed ration.

OILSEEDS:

SOYBEANS

Table 2. India: Commodity, Oilseed, Soybean, Production, Supply and Distribution

Oilseed, Soybean	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	12200	10800	12700	11800	12700	12200
Area Harvested (1000 HA)	12193	10800	12700	11800	12700	12200
Beginning Stocks (1000 MT)	432	432	472	472	350	442
Production (1000 MT)	9300	9300	10450	10450	11200	10800
MY Imports (1000 MT)	520	520	350	320	250	250
Total Supply (1000 MT)	10252	10252	11272	11242	11800	11492
MY Exports (1000 MT)	80	80	250	100	250	200
Crush (1000 MT)	8400	8400	9400	9400	9700	9600
Food Use Dom. Cons. (1000 MT)	500	500	500	500	520	550
Feed Waste Dom. Cons. (1000 MT)	800	800	772	800	950	850
Total Dom. Cons. (1000 MT)	9700	9700	10672	10700	11170	11000
Ending Stocks (1000 MT)	472	472	350	442	380	292
Total Distribution (1000 MT)	10252	10252	11272	11242	11800	11492

Production:

Market Year 2021/22 Soybean Production Estimate Revised Lower

The soybean production estimate for MY 2021/22 (October-September) is revised lower to 10.8 MMT on 12.2 million hectares. This is due to reports of the delayed monsoon impacting Madhya Pradesh, India's primary soybean growing state. According to the MoA's latest planting report (August 5), soybean area planted in Madhya Pradesh is ten percent lower compared to the previous period last year. During heavy rainfalls in the first half of August, some cultivars were in their flowering and pod-development stages, making them susceptible to both biotic and abiotic stresses that could lead to significant flower defoliation or hampered seed development.⁶ Due to prevailing weather conditions the national average yield is estimated to reach 0.885 MT/hectare, slightly below last year's level, but close to the five-year average.

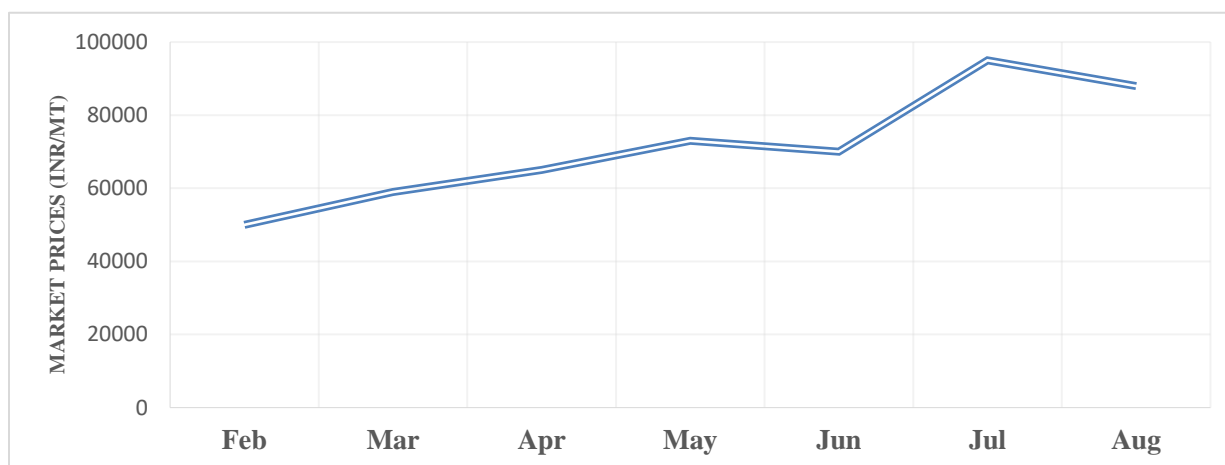
Despite a slow start, successive planting operations through July have nearly reached last year's levels. However, preliminary crop losses due to flooding in the Akola, Wardha, Sangli and other soybean growing districts of Maharashtra is estimated at 150,000 hectares.

⁶ This soybean production assessment will be updated after the October harvest.

Trade

Domestic soybean market prices have rallied above the MSP in the current MY, peaking above \$1,344/MT (INR 100,000/MT) in mid-July. As of August 20, 2021, spot prices were at \$1,183/MT, 123 percent above the MSP (Figure 3). Accordingly, FAS New Delhi (Post) has revised its export estimates for MY 2020/21 to 100,000 MT, and the MY 2021/22 export forecast lowered to 200,000 MT to account for the lack of competitiveness of Indian soybeans in the global market. The United States, Belgium, Canada, Spain, and Nepal were the top importers of Indian-origin soybeans.

Figure 3. India: 2021 Soybean Spot Market Prices (INR/MT)



Source: Agmarknet

Note: All prices ex-Indore (Madhya Pradesh Market)

PEANUTS

Table 3. India: Commodity, Oilseed, Peanut, Production, Supply and Distribution

Oilseed, Peanut	2019/2020		2020/2021		2021/2022	
	Market Year Begins		Market Year Begins		Market Year Begins	
	Oct 2019		Oct 2020		Oct 2021	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	4880	4900	5800	4800	5600	5200
Area Harvested (1000 HA)	4825	4900	6000	4800	5500	5200
Beginning Stocks (1000 MT)	359	359	263	326	377	155
Production (1000 MT)	6255	6255	6700	6240	6300	6760
MY Imports (1000 MT)	2	2	3	3	3	3
Total Supply (1000 MT)	6616	6616	6966	6569	6680	6918
MY Exports (1000 MT)	984	921	950	950	750	900
Crush (1000 MT)	3650	3650	3900	3800	3855	4000
Food Use Dom. Cons. (1000 MT)	1350	1350	1375	1300	1450	1400
Feed Waste Dom. Cons. (1000 MT)	369	369	364	364	350	450
Total Dom. Cons. (1000 MT)	5369	5369	5639	5464	5655	5850
Ending Stocks (1000 MT)	263	326	377	155	275	168
Total Distribution (1000 MT)	6616	6616	6966	6569	6680	6918

Production

Due to relatively lower planting on account of the erratic monsoon, peanut production in the outyear will be slightly lower than last year. Post retains its previous out year and forecast year production estimates.

The Indian government plans to increase peanut production with the goal to reach 14.15 MMT by ICY 2025/26, while increasing productivity to approximately 2,000 kilograms/hectare. This will be achieved by increasing planting area in rice-fallow⁷ growing regions along with intercropping with certain crops including sesame, castor, cotton, pigeon pea, and sunflower. In addition, the government plans to offer peanut farmers high yielding varieties and to routinely revise its various price support mechanisms, including the Minimum Support Price.

MEALS:

SOYBEAN MEAL

Table 4. India: Commodity, Meal, Soybean, Production, Supply and Distribution						
Meal, Soybean	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	8400	8400	9400	9400	9700	9600
Extr. Rate, 999.9999 (PERCENT)	0.8	0.8	0.8	0.8	0.8	0.8
Beginning Stocks (1000 MT)	379	379	566	566	481	436
Production (1000 MT)	6720	6720	7520	7520	7760	7680
MY Imports (1000 MT)	23	23	40	300	30	400
Total Supply (1000 MT)	7122	7122	8126	8386	8271	8516
MY Exports (1000 MT)	886	886	1800	1550	1700	1700
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	370	270	300	300	300	330
Feed Waste Dom. Cons. (1000MT)	5300	5400	5545	6100	5935	6200
Total Dom. Cons. (1000 MT)	5670	5670	5845	6400	6235	6530
Ending Stocks (1000 MT)	566	566	481	436	336	286
Total Distribution (1000 MT)	7122	7122	8126	8386	8271	8516

⁷ Rice-fallow cropland consists of areas where rice is grown during the kharif growing season (June–October), followed by a fallow period during the *rabi* season (November–February).

PEANUT MEAL

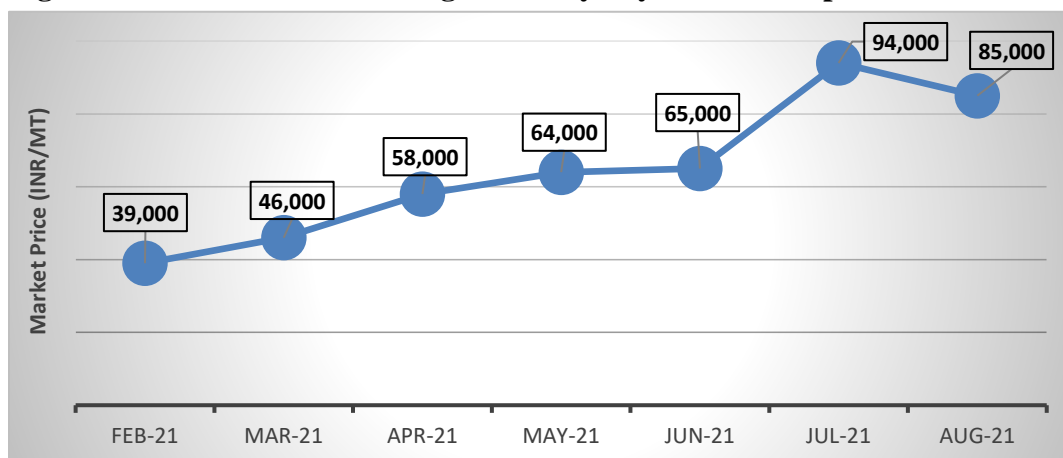
Table 5. India: Commodity, Meal, Peanut, Production, Supply and Distribution						
Meal, Peanut	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	3650	3650	3900	3800	3855	4000
Extr. Rate, 999.9999 (PERCENT)	0.4192	0.4192	0.4197	0.42	0.4189	0.42
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	1530	1530	1637	1596	1615	1680
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1530	1530	1637	1596	1615	1680
MY Exports (1000 MT)	5	5	7	7	8	8
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	5	0	5	0	5	0
Feed Waste Dom. Cons. (1000 MT)	1520	1525	1625	1589	1602	1672
Total Dom. Cons. (1000 MT)	1525	1525	1630	1589	1607	1672
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	1530	1530	1637	1596	1615	1680

TRADE

Like soybeans, domestic soybean meal prices have climbed sharply since March 2021 (Figure 4). As of August 18, 2021, soybean meal was trading at \$1,143/MT (INR 85,000/MT), 166 percent above the price in the same period last year (\$430/MT or INR 32,000/MT). Consequently, India's soybean meal exports have dropped since April 2021 (Table 6). For MY 2020/21, Post has lowered India's soybean meal export estimate to 1.5 MMT, as domestic crushers reduced soymeal production due to high soybean prices.

Nepal, the United States, Nigeria, and the UAE are the top markets for Indian soybean meal.

Figure 4. India: CY 2021 Average Monthly Soybean Meal Spot Market Prices (INR/MT)



Source: The Soybean Processors Association of India

Note: All prices ex-Indore

Based on the August 24, 2021, DGFT notification permitting 1.2 MMT of GE-soybean meal, Post has revised its trade estimates for MY 2020/21 and 2021/22 and is subject to further revision. Post has adjusted India's soybean meal imports to 300,000 MT in the out year and 400,000 MT for MY 2021/22. As the import window extends through October 31, 2021 (Table 4), most soybean meal is likely to come from Bangladesh, with some volumes from Vietnam. Due to the shortened trade window, it is unlikely that India would be able to fill its 1.2 MMT import volume quota.

Table 6. India: Oil Meal Exports, Metric Tons

Month	Soybean Meal	Rapeseed Meal	Peanut Meal	Total
Oct-20	120,290	101,909	1,022	223,221
Nov-20	198,776	45,050	995	244,821
Dec-20	251,221	141,866	872	393,959
Jan-21	283,167	74,240	2,660	360,067
Feb-21	247,085	37,970	0	285,055
Mar-21	146,379	84,276	0	230,655
Apr-21	39,750	177,822	0	217,572
May-21	52,434	96,870	0	149,304
Jun-21	25,918	110,115	256	136,289
July-21	26,725	94,765	-	121,490
October 20 to July 2021	1,391,745	964,883	5,805	2,362,433
October 19 to July 2020	520,131	786,394	2,540	1,309,065
% Change	168%	23%	129%	80%

Source: Solvent Extractors Association (SEA)

OILS:**SOYBEAN OIL****Table 7. India: Commodity, Oil, Soybean, Production, Supply and Distribution**

Oil, Soybean	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	8400	8400	9400	9400	9700	9600
Extr. Rate, 999.9999 (PERCENT)	0.18	0.18	0.18	0.18	0.1804	0.18
Beginning Stocks (1000 MT)	140	140	150	386	200	460
Production (1000 MT)	1512	1512	1692	1692	1750	1728
MY Imports (1000 MT)	3390	3626	3700	3700	3725	3725
Total Supply (1000 MT)	5042	5278	5542	5778	5675	5913
MY Exports (1000 MT)	16	16	15	18	15	17
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	4876	4876	5327	5300	5450	5450
Feed Waste Dom. Cons. (1000MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	4876	4876	5327	5300	5450	5450
Ending Stocks (1000 MT)	150	386	200	460	210	446
Total Distribution (1000 MT)	5042	5278	5542	5778	5675	5913

PEANUT OIL**Table 8. India: Commodity, Oil, Peanut, Production, Supply and Distribution**

Oil, Peanut	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	3650	3650	3900	3800	3855	4000
Extr. Rate, 999.9999 (PERCENT)	0.3301	0.3301	0.329	0.3376	0.3302	0.33
Beginning Stocks (1000 MT)	315	315	280	280	253	143
Production (1000 MT)	1205	1205	1283	1283	1273	1320
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1520	1520	1563	1563	1526	1463
MY Exports (1000 MT)	65	65	100	260	75	80
Industrial Dom. Cons. (1000 MT)	10	10	10	10	10	10
Food Use Dom. Cons. (1000 MT)	1165	1165	1200	1150	1225	1250
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1175	1175	1210	1160	1235	1260
Ending Stocks (1000 MT)	280	280	253	143	216	123
Total Distribution (1000 MT)	1520	1520	1563	1563	1526	1463

TRADE

India Imports 10.5 MMT of Edible Oils in MY 2020/21 (October-June), Three Percent Below Last Year

India imported 10.5 MMT of edible oils in MY 2020/21 (outyear), three percent below last year (Table 9). This includes 2.5 MMT of soybean oil, which is ten percent below last year. Nearly 1.6 MMT of India's soybean oil imports came from Argentina. Soybeans have maintained their sustained rise in the Indian market due to tight inventory, due to which approximately 50 percent of crushing units have been shut. This will support more soybean oil imports in the coming months.

Domestic peanut oil prices increased nine percent reaching \$782/MT (INR 58,000/MT) in July 2021, compared to \$715/MT (INR 53,000/MT) the same period last year. China will continue to be the top importer of Indian-origin peanut oil to meet its domestic demand as it faces a production deficit due to localized crop damage in Henan province that has contributed to more than 30 percent of its peanut production. In turn, Post has revised its export estimate to 260,000 MT for MY 2020/21, reflecting current market conditions.

Table 9. India: Edible Oil Imports, 1000 Metric Tons

Commodity	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Oct 20-Jul 21	Oct 19- Jul 20	% Change
RBD palm-olein	5	10	3	3	6	3	0	2	3	14	49	523	-91
Crude palm oil	754	589	748	768	384	506	690	755	577	451	6222	5221	19
Crude palm olein	0	0	0	0	0	0	0	0	0	0	0	0	0
Crude Palm kernel oil	17	19	19	10	4	17	12	12	7	0	117	94	24
Total palm oil	776	618	770	781	394	526	702	769	587	465	6388	5838	9
Crude soybean oil	278	251	323	89	286	284	144	268	206	380	2509	2789	-10
Refined soybean oil	0	0	0	0	0	0	0	0	0	0	0	0	0
Total soy oil (crude)	278	251	323	89	286	284	144	268	206	380	2509	2789	-10
Crude sun oil	171	214	235	205	116	147	184	176	176	72	1696	2282	-26
Refined sun oil	0	0	0	0	0	0	0	0	0	0	0	0	0
Total sun oil (crude)	171	214	235	205	116	147	184	176	176	72	1696	2282	-26
Canola Rape oil	0	0	0	0	0	0	0	0	0	0	0	0	0
Cottonseed Oil	0	0	0	0	0	0	0	0	0	0	0	0	0
Safflower oil	0	0	0	0	0	0	0	0	0	0	0	0	0
Coconut oil	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	1225	1083	1328	1075	796	957	1030	1213	969	917	10593	10909	-3

Source: SEA

Reduction in Import duties of Crude Palm Oil, RBD Palmolein and RBD Palm Oil

On June 29, 2021, the Indian government notified a reduction in import duties of Crude Palm Oil, refined, bleached, and deodorized (RBD) Palmolein and RBD palm oil through September 30, 2021 (Table 10). In addition, on June 30, 2021, the government allowed imports of RBD palmolein and RBD palm oil freely until December 31, 2021 (Source: [Central Board of Indirect Taxes and Customs](#) and [DGFT](#)).

Table 10. India: Revised Import Duty Structure

Oil	Basic Duty	Agriculture Cess	Social Welfare Cess	Effective Duty	Erstwhile Effective Duty
Crude Palm Oil	10%	17.50%	10%	30.25%	35.75%
RBD Palmolein	37.50%	-	10%	41.25%	49.50%
RBD Palm Oil	37.50%	-	10%	41.25%	59.40%

Source: SEA

India's revision to palm oil duties is intended to curtail rising domestic prices of edible oils. However, the move is likely to impact the consumption of other edible oils in India and will accelerate imports of refined oil from Nepal and Bangladesh under the South Asian Free Trade Area (SAFTA)⁸ at zero percent duty. Consequently, palm oil imports from October 2020 to July 2021 increased nine percent and will continue to grow (Table 9). Malaysia and Indonesia remain the top suppliers of palm oil to India.

Attachments:

No Attachments

⁸ For more details on SAFTA, see [here.https://www.un.org/ldcportal/south-asian-free-trade-area/](https://www.un.org/ldcportal/south-asian-free-trade-area/)