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Oilseeds and Products

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Report Highlights:

Pakistan is a major vegetable oil and a growing oilseed importer. MY 2002/03 oilseed imports are expected to increase to 700,000 metric tons as the government seeks to capture the value-added of local processing. Crushing margins for soybeans are expected to remain attractive and provide an incentive for increased imports, particularly following the suspension of trade between India and Pakistan. U.S. export assistance programs have been instrumental in reopening Pakistan's soybeans and soybean oil markets and GSM credit guarantees will be an important tool to encourage future commercial imports from the United States.

Includes PSD changes: Yes
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EXECUTIVE SUMMARY

Pakistan's agriculture sector remains at a crossroad due to the on-going serious shortage of irrigation supplies, which will result in uncertain oilseed production. The country is experiencing its worst drought and irrigation shortage as major reservoirs have been drawn down to critically low levels to irrigate the MY 2002/03 crops. The primary short-term reasons for the current acute irrigation shortage are two consecutive weak monsoons and inadequate glacier and snow melt. The reservoirs, which depend largely on snow melt, will not be recharged to any significant extent until late June. Thus the success of MY 2002/03 oil seed crops will be a function of late winter rains and warm and clear spring weather that promotes snow melt to help increase water supplies.

The longer-term cause for the irrigation shortage is poor resource management and planning. Since the irrigation system was completed, demand has increased more than 50 percent while storage capacity has decreased by one-third due to silting, leaving per capita availability at a fraction of its original level. As a result, chronic irrigation shortfalls are expected to play an increasingly important part in Pakistan's agricultural production. In addition to increasing storage capacity and adapting new irrigation techniques, many observers believe Pakistan will need to alter cropping patterns significantly to conserve scarce water resources by shifting out of water-intensive crops, particularly sugar cane and rice, and into other crops, including oilseeds.

Pakistan is the world's fourth largest edible oil importer and edible oil imports represent the second largest import expenditure, next to energy. The government has highlighted increased oilseed production as an important way of saving scarce foreign exchange. Despite this focus, efforts to increase production have not been very successful for a number of reasons and significant increases appear unlikely for the foreseeable future. MY 2002/03 oilseed production is forecast to increase by 4 percent to 3.92 million metric tons (MMT) due to increase in cotton seed and sunflower-seed production. Oilseed imports, however, have increased sharply over the past several years in response to government policy designed to support the domestic solvent extraction industry in order to capture the value-added of local meal and oil production and develop a viable industry necessary to stimulate local oilseed production. Until recently, the primary disincentive to soybean imports has been chronically poor crushing margins due to the availability of cheap Indian soybean meal, which was dumped on the Pakistani market. Crushing margins improved considerably following recent tension with India when land links were severed and trade disrupted. However, India's exportable supplies of soybean meal are expected to decline over the next 3-to-5 years and Pakistan will need to develop alternate sources of soybean meal, particularly domestic processing from the imported soybeans

Pakistan's MY 2002/03 meal production is forecast to increase to 1.8 MMT due to increased import of oilseeds. Local processors eventually have started importing soybeans to satisfy the growing demand from the local poultry industry for better quality feed. The inclusion rate of soybean meal which was very low in the past has increased to 15 percent in response to a demand for quality feed from the poultry and livestock industry.

Pakistan is a major vegetable oil importer. Oil imports are forecast to increase to 1.35 MMT in MY 2002/03 due mainly to decrease in prices and increased demand. Palm oil is the main imported oil. There are, however, growing concern over the health risks of palm oil. A growing number of consumers prefer liquid oils to 'ghee", especially when they can afford them. In the long-term, increased domestic oil production will displace imported palm oil.

OIL SEEDS

PRODUCTION

MY 2002/03 total oilseed production is forecast to increase by 4 percent to 3.92 million metric tons (MMT), due largely to increase in cotton seed and sunflower seed production. Irrigation supplies are uncertain and the Major reservoirs have been drawn down to critically low levels to irrigate the MY2002/03 oil seed crops. The reservoirs, which depend largely on snow melt, will not be recharged to any significant level until late June. MY 2001/02 oilseed production decreased 6 percent to 3.76 MMT due mainly to the 2-percent decrease in cotton seed production, 69 percent fall in sunflower seed production and the 22-percent decline in rape seed production.

Cottonseed: Cottonseed is the main oilseed, accounting for nearly 92 percent of total domestic production of oil seed crops. Cotton is grown mainly for lint, which is the basic input for Pakistan's important textile industry. Oil and meal are secondary products.

MY 2002/03 cottonseed production is forecast to increase 3 percent to 3.6 MMT. This forecast is based on expected increase in yields, due to a trend to increase plantings of virus-tolerant and early maturing varieties of cotton and assuming irrigation supplies at last years level. MY 2001/02 cotton production has been estimated down about 2 percent to 3.48 MMT due to significant yield losses from heliothis and army bollworms in central and eastern Punjab between mid -September and mid-October. Some sources estimate that as much as 10 percent of the Punjab crop has been lost due to pest damage. Yields were also down due to late planting due to irrigation shortages.

Rapeseed: MY 2002/03 rapeseed production is forecast to remain at last years level of 2.3 MMT due mainly to expected possible irrigation problems and decreasing returns. Rapeseed production accounts for less than 10 percent of total oilseed production. Rapeseed traditionally is mixed with wheat and harvested for fodder as well as for oil. The Government of Pakistan (GOP) has been working to increase canola production but no significant progress has been made during the past few years. Plans to replace rape and mustard with high-yielding canola have not materialized due to the lack of good quality seed, marketing problems and declining returns. MY 2001/02 rapeseed production is estimated to have decreased 22 percent to 2.3 MMT due mainly to corresponding decrease in area because of shortage of irrigation supplies at planting time and marketing problems faced by the growers in disposal of their produce during last harvesting season.

Sunflower seed: Sunseed production accounts for slightly less than 5 percent of total production in normal years. Despite strong governmental efforts to increase production, MY2002/03 sunflower-seed production is forecast to increase 91 percent to 88,000 MT compared to last years low production 0f 46,000 MT. This forecast is based on (i) assurance provided by the solvent industry to procure the produce at Rs. 560/40 Kgs (ii) arrangements made by the seed companies to provide quality seed in all the growing areas at reasonable prices and (iii) deceasing returns in wheat cultivation as the majority farmers could get only 80 percent of the support price announced by the government.

MY 2001/02 sunseed production was estimated to decrease nearly 70 percent to only 46,000 MT as farmers shifted out of sunseeds due to unattractive returns and into wheat and vegetables. Farmers complain the shortages of irrigation water supplies at planting time and also the support price was not effective since the government did not procure the

crop. Additionally, sunseeds prices have remained weak due to weak international prices for sun and other oils.

Government Support

The government encourages oilseed production via a support price mechanism but generally does not procure any oilseeds. Thus far, the government has not announced new support prices. Speculation is that the government will withdraw its role and allow the market to determine prices. Instead of increasing support prices, the government is expected to concentrate on improving production techniques and procurement and marketing infrastructure. There is a growing realization that, rather than competing with domestic production, oilseed imports are needed to help develop a viable processing industry in order to stimulate demand for local oilseed. Officials increasingly appear to recognize that large oil imports–not imported oilseeds--constrain the development of a viable domestic processing industry and is the major obstacle to increasing domestic oilseed production. During MY 2002/03, solvent extraction industry in collaboration with the seed companies announced a minimum price for the purchase of oil seed crops. This assurance will help increase the cultivation of oilseed crop in the country.

Table 1: Oilseed Support Prices 1/

Commodity	*MY 2000/01*	*MY 2001/02*	*MY 2002/03*
Sunflower	500	500	560
Soybean	410	410	410
Canola	500	500	500

1/ Rupees per 40 kilograms ($1 = Rs. 60)

CONSUMPTION

Pakistan's crushing industry consists of older, inefficient plants which simply crush the oilseeds and newer solvent extraction plants. Total capacity is estimated at 5 MMT, of which 3.5 MMT consists of the older plants and 1.5 MMT consists of the newer solvent extraction plants. Industry sources estimate the solvent extraction industry is operating at nearly 50 percent of capacity due to the lack of raw materials.

TRADE

MY 2002/03 oilseed imports are forecast to increase 8 percent to 700,000 MT due mainly to improved crush margins because of changes in import duty structure. These imports consists of 200,000 MT of soybeans and 500,000 MT of rape/canola seed. The GOP has lowered the duty on all oil seeds and imposed at a uniform rate of 5 % on all seeds. Also the GOP has removed the anomaly of 15 percent sales tax on domestically produced soybean oil. Soybeans are crushed mainly for meal. Presently the solvent industry is crushing the soybeans imported under 416 (b) program from the United States. Industry sources indicate that they have improved the quality of their meal and are receiving competitive prices compared with Indian meal. This will encourage larger imports of beans in the coming years.

MY 2001/02 oilseed import are estimated to have increased 55 percent to 650,000 MT, due mainly to lower tariffs on oilseeds and higher tariffs on meal and oil, which have significantly increased crushing margins. These changes have allowed the industry (and the economy) to capture the value-added benefits of local production, mainly at the expense of imported Indian soybean meal and palm oil. Imports consist largely of rape seed/canola seed from the European Union and Australia and sunflower-seed from Ukraine.

Table 2: Oilseed Imports (MT)

Commodity	MY 2000/01	MY2001/02	MY 2002/03
Soybeans	18,000	300,000*	200,000
Sunflower-seed	21,000	0	0
Canola/rapeseed	380,000	350,000	500,000
Total	419,000	650,000	700,000

* Includes soybeans imported under USDA's 416 (b) program

Table 3: Total Oilseed Production, Supply and Demand

Country:	Pakistan					
Commodity:	TOTAL OILSEEDS					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	3490	3444	3554	3462	0	3446
Area Harvested	3339	3372	3484	3442	0	3446
Beginning Stocks	0	0	0	0	0	0
Production	3893	4019	3718	3763	0	3923
MY Imports	520	419	477	650	0	700
MY Imp. from U.S.	145	0	130	165	0	50
MY Imp. from the EC	627	300	480	350	0	500
TOTAL SUPPLY	4413	4438	4195	4413	0	4623
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	3813	3816	3618	3797	0	3981
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Seed Waste Dm.Cn.	600	622	577	616	0	642
Total Dom. Consumption	4413	4438	4195	4413	0	4623
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	4413	4438	4195	4413	0	4623
Calendar Year Imports	330	339	220	440	0	570
Calendar Yr Imp. U.S.	0	18	140	140	0	50
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 4: Cottonseed Production, Supply and Demand

Country	Pakistan					
Commodity	Oilseed, Cottonseed				(1000 HA)(1000 MT)(RATIO)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted (COTTON)	3000	3000	3200	3150	0	3100
Area Harvested(COTTON)	2928	2928	3130	3130	0	3100
Seed to Lint Ratio	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	3481	3570	3400	3484	0	3600
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	3481	3570	3400	3484	0	3600
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	2961	3035	2884	2961	0	3060
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cm.	520	535	516	523	0	540
TOTAL Dom. Consumption	3481	3570	3400	3484	0	3600
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	3481	3570	3400	3484	0	3600
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 5: Sunflowerseed Production, Supply and Demand

Country	Pakistan					
Commodity	Oilseed, Sunflowerseed				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	160	114	0	38	0	70
Area Harvested	81	114	27	38	0	70
Beginning Stocks	0	0	0	0	0	0
Production	114	150	37	46	0	88
MY Imports	25	21	22	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	139	171	59	46	0	88
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	120	154	51	41	0	79
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	19	17	8	5	0	9
TOTAL Dom. Consumption	139	171	59	46	0	88
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	139	171	59	46	0	88
Calendar Year Imports	0	21	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 6: Rapeseed Production, Supply and Demand

Country	Pakistan					
Commodity	Oilseed, Rapeseed				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	0	328	0	272	0	274
Area Harvested	328	328	325	272	0	274
Beginning Stocks	0	0	0	0	0	0
Production	297	297	280	231	0	233
MY Imports	330	380	200	350	0	500
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	300	0	350	0	500
TOTAL SUPPLY	627	677	480	581	0	733
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	567	609	430	523	0	660
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	60	68	50	58	0	73
TOTAL Dom. Consumption	627	677	480	581	0	733
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	627	677	480	581	0	733
Calendar Year Imports	330	300	220	300	0	400
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 7: Soybean Production, Supply and Demand

Country	Pakistan					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	0	2	0	2	0	2
Area Harvested	2	2	2	2	0	2
Beginning Stocks	0	0	0	0	0	0
Production	1	2	1	2	0	2
MY Imports	165	18	255	300	0	200
MY Imp. from U.S.	145	0	130	165	0	50
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	166	20	256	302	0	202
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	165	18	253	272	0	182
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	1	2	3	30	0	20
TOTAL Dom. Consumption	166	20	256	302	0	202
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	166	20	256	302	0	202
Calendar Year Imports	0	0	0	140	0	150
Calendar Yr Imp. U.S.	0	0	0	140	0	50
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

OIL MEALS

PRODUCTION

MY2002/03 meal production is expected to increase 3 percent to 1.8 MMT due to forecast increase in the importation and crushing of soybeans and rapeseed. Domestic meal production consists of about 75 percent cottonseed meal, 15 percent rapeseed meal and 8 percent soybean meal . In the past, the domestic industry did not produce a significant amount of soybean meal because the tax structure and the availability of low-priced soybean meal from India makes soybean imports relatively less attractive. Even so, there is increasing demand for high-quality soybean meal from the domestic poultry feed industry. While crushing the 165,000 MT of soybeans imported under 416 (b) program from the United states, the solvent industry have realizes the demand from the poultry industry for meal and they put every effort to improve its quality. Market observers believe Pakistan will need to develop alternative sources of soybean meal in the next 3-to-5 years as India consumes increasing amounts and exportable supplies decrease.

MY 2001/02 meal production is estimated to increase about 4 percent to 1.75 MMT due to the estimated increase in oilseed imports.

CONSUMPTION

Meal consumption during MY 2002/03 is forecast to increase to 1.91 MMT in response to the demand from the livestock and poultry industries for better-quality (i.e., more protein) rations in order to operate more efficiently. Demand for soybean meal also is expect to increase in response to increases in poultry production as consumers become more health conscious and shift from red to white meat. Traditional feed rations generally are inadequate and contain little or no protein. Given the low inclusion rate of 5-7 percent in the past, feed millers are more conscious about the quality of their meal and the inclusion rate of soybeanmeal has increased to about 15. There is a large potential to expand protein meal consumption in the Pakistani market.

TRADE

Soybean meal is the major imported meal. During MY 2002/03, soybean meal imports are forecast to decline to 50,000 MT due to increased domestic soybean meal production from the soybeans imported under the 416(b) program. Previously, all soybean meal was imported from India, which dumps meal onto the market because of its limited domestic alternatives. Imports of cheap Indian soybean meal significantly reduce crushing margins for imported

soybeans. Currently, crushing margins improved considerably following recent tensions with India when land links were severed and trade disrupted. However, India's exportable surplus of soybean meal is expected to decline over the next 3-to-5 years and Pakistan need to develop alternate sources of soybean meal, particularly domestic processing from the imported soybeans.

MY2001/02 imports are estimated to decrease to only 20,000 MT because of increased domestic production, particularly from imported oil seeds. During the year, infrastructure and political problems in India resulted in irregular availability and limited Pakistan's imports to a minimum level.

Table 8: Total Oil Meal Production, Supply and Demand

Commodity:	TOTAL OILMEALS					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	3813	3816	3618	3797	0	3981
Extr. Rate	0.4707579	0.4583333	0.4698729	0.480906	ERR	0.4722432
Beginning Stocks	0	0	0	0	0	0
Production	1795	1749	1700	1826	0	1880
MY Imports	90	156	100	30	0	50
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1885	1905	1800	1856	0	1930
MY Exports	0	20	0	20	0	20
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom.Consum.	1885	1885	1800	1836	0	1910
Total Dom. Consumption	1885	1885	1800	1836	0	1910
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1885	1905	1800	1856	0	1930
Calendar Year Imports	0	130	0	30	0	50
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	20	0	20
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 9: Cottonseed Meal Production, Supply and Demand

Country	Pakistan					
Commodity	Meal, Cottonseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	2961	3035	2884	2961	0	3060
Extr. Rate, 999.9999	0.455927	0.459967	0.443828	0.45998	ERR	0.460131
Beginning Stocks	0	0	0	0	0	0
Production	1350	1396	1280	1362	0	1408
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1350	1396	1280	1362	0	1408
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	1350	1396	1280	1362	0	1408
TOTAL Dom. Consumption	1350	1396	1280	1362	0	1408
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	1350	1396	1280	1362	0	1408
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 10: Sunflowerseed Meal Production, Supply and Demand

Country	Pakistan					
Commodity	Meal, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	120	154	51	41	0	79
Extr. Rate, 999.9999	0.558333	0.422078	1	0.414634	ERR	0.417722
Beginning Stocks	0	0	0	0	0	0
Production	67	65	51	17	0	33
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	67	65	51	17	0	33
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	67	65	51	17	0	33
TOTAL Dom. Consumption	67	65	51	17	0	33
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	67	65	51	17	0	33
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0

Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 11: Rapeseed Meal Production, Supply and Demand

Country	Pakistan					
Commodity	Meal, Rapeseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	567	609	430	523	0	660
Extr. Rate, 999.9999	0.462081	0.449918	0.604651	0.449331	ERR	0.45
Beginning Stocks	0	0	0	0	0	0
Production	262	274	260	235	0	297
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	262	274	260	235	0	297
MY Exports	0	20	0	20	0	20
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	262	254	260	215	0	277
TOTAL Dom. Consumption	262	254	260	215	0	277
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	262	274	260	235	0	297
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0

Calendar Year Exports	0	0	0	20	0	20
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 12: Soybean Meal Production, Supply and Demand

Country	Pakistan					
Commodity	Meal, Soybean				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	165	18	253	272	0	182
Extr. Rate, 999.9999	0.70303	0.777778	0.43083	0.779412	ERR	0.78022
Beginning Stocks	0	0	0	0	0	0
Production	116	14	109	212	0	142
MY Imports	90	156	100	30	0	50
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	206	170	209	242	0	192
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	206	170	209	242	0	192
TOTAL Dom. Consumption	206	170	209	242	0	192
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	206	170	209	242	0	192
Calendar Year Imports	0	130	0	30	0	50

Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

OILS

PRODUCTION

Pakistan is a deficit oil producer--domestic oil production provides only about 30 percent of total consumption requirements. MY 2002/03 oil production is forecast to increase 10 percent to 580,000 MT, due to the forecast increase in oilseed production as well as increase in oil seed imports. Of the total domestic production about 53 percent is cotton oil, 38 percent is rapeseed oil and 5 percent is sunflower oil. Share of oil produced from domestic oilseeds is expected to increase because of increase in sunflower seed production as a result of forecast improvement in marketing and availability of quality seed.

MY 2001/02 oil production is estimated down about 6 percent to 527,000 MT because of decreased domestic oil seed production, particularly of sunflower seed and rape seed while the relative share of oil produced from the imported oil seeds will increase.

CONSUMPTION

Pakistan's MY 2002/03 total edible oil consumption is forecast to increase to 1.93 MMT. This forecast is based on some economic revival resulting an increase in consumers' purchasing power and 2 percent increase in population growth. An estimated 75 percent of total oil consumption is consumed as "ghee" (i.e., shortening). Virtually all palm oil and most cotton oil is used to produce "ghee." There is, however, a growing consciousness of the negative health effects of saturated oils, particularly palm oil and consumers (when they can afford it) are increasingly shifting from "ghee" to liquid oils.

TRADE

Pakistan is one of the world's largest vegetable oil importers. Imports of edible oils represent the second single largest expenditure of foreign exchange. To conserve scarce foreign exchange, the government has highlighted increased domestic production of oilseeds and oil as a priority. However, despite this rhetoric, production is stagnant or decreasing due to decreasing returns to oilseed production, mainly as a result of weak international prices. MY 2002/03 oil imports are forecast to increase 2 percent to 1.35 MMT.

Pakistan is a price-sensitive market and the relative prices of various oils affect the import mix. Palm oil is the main imported oil due to its low price. In addition, "flexibility" in contract terms and specifications make palm oil even more attractive. Given a growing consciousness of the health risk and other irregularities associated with palm, local production of liquid oils generally displace imported palm oil.

During MY 2001/02, oil imports were estimated to increase 5 percent to 1.32 MMT due mainly to about 20 percent average fall in international prices. Palm oil imports were increased 6 percent to 1.15 MMT because of the availability of low-priced palm olein, which is often blended with other liquid oils. The GOP has reduced the import duty on Palm olein and made it at par with soybean oil. The soybean oil imports increased to 175,000 MT due to lower prices and import of 75,000 MT under 416 (b) program from the United States.

Table 13: Oil Tariffs and Taxes

Commodity	*NEW Tariff*	*OLD Tariff*	*NEW Sales Tax*	*OLD Sales Tax*
Palm Oil	Rs.10,800 per MT	Rs.10,800 per MT	15 %	15 %
Palm Olein	Rs. 9,050 per MT	Rs. 10,800 per MT	15 %	15 %
Soy Oil	Rs. 9,050 per MT	Rs. 6,800 per MT	15 %	15 %
Sun Oil	Rs. 9,050 per MT	35 %	15 % CED	0 %
Canola Oil	Rs. 9,050 per MT	35 %	15 % CED	0 %
Cotton Oil	Rs. 9,050 per MT	35 %	15 % CED	0 %

STOCKS

Oil stocks are expected to remain constant at about one month's supply. Stocks are held both by producers and traders.

Table 14: Total Oils Production, Supply and Demand

Country:						
Commodity:	TOTAL OILS					
		2000		2001		2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	3813	3816	3618	3797	0	3981
Extr. Rate	0.1473905	0.1467505	0.1522941	0.1387938	ERR	0.145692
Beginning Stocks	163	158	145	158	0	158
Production	562	560	551	527	0	580
MY Imports	1445	1266	1560	1325	0	1350
MY Imp. from U.S.	30	75	10	60	0	50
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	2170	1984	2256	2010	0	2088
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	80	82	83	85	0	88
Food Use Dom. Consump.	1915	1715	1989	1737	0	1801
Feed Waste Dom.Consum.	30	29	30	30	0	31
Total Dom. Consumption	2025	1826	2102	1852	0	1920
Ending Stocks	145	158	154	158	0	168

TOTAL DISTRIBUTION	2170	1984	2256	2010	0	2088
Calendar Year Imports	0	1148	0	1240	0	1240
Calendar Yr Imp. U.S.	0	75	0	60	0	50
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 15: Cottonseed Oil Production, Supply and Demand

Country	Pakistan					
Commodity	Oil, Cottonseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	2961	3035	2884	2961	0	3060
Extr. Rate, 999.9999	0.101317	0.100165	0.101248	0.099966	ERR	0.1
Beginning Stocks	10	15	10	15	10	15
Production	300	304	292	296	0	306
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	310	319	302	311	10	321
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	20	27	21	27	0	28
Food Use Dom. Consump.	277	274	268	266	0	275
Feed Waste Dom. Consum	3	3	3	3	0	3

TOTAL Dom. Consumption	300	304	292	296	0	306
Ending Stocks	10	15	10	15	0	15
TOTAL DISTRIBUTION	310	319	302	311	0	321
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 16: Sunflowerseed Oil Production, Supply and Demand

Country	Pakistan					
Commodity	Oil, Sunflowerseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	120	154	51	41	0	79
Extr. Rate, 999.9999	0.35	0.337662	0.823529	0.341463	ERR	0.341772
Beginning Stocks	3	3	3	3	0	3
Production	42	52	42	14	0	27
MY Imports	30	0	10	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	75	55	55	17	0	30
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	72	52	55	14	0	27

Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	72	52	55	14	0	27
Ending Stocks	3	3	0	3	0	3
TOTAL DISTRIBUTION	75	55	55	17	0	30
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 17: Rapeseed Oil Production, Supply and Demand

Country	Pakistan					
Commodity	Oil, Rapeseed				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	567	609	430	523	0	660
Extr. Rate, 999.9999	0.342152	0.330049	0.446512	0.330784	ERR	0.330303
Beginning Stocks	15	15	15	15	15	15
Production	194	201	192	173	0	218
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	209	216	207	188	15	233
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	5	6	5	5	0	7

Food Use Dom. Consump.	187	193	185	166	0	209
Feed Waste Dom. Consum	2	2	2	2	0	2
TOTAL Dom. Consumption	194	201	192	173	0	218
Ending Stocks	15	15	15	15	0	15
TOTAL DISTRIBUTION	209	216	207	188	0	233
Calendar Year Imports	0	0	0	40	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 18: Soybean Oil Production, Supply and Demand

Country	Pakistan					
Commodity	Oil, Soybean				(1000 MT)(PERCENT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Crush	165	18	253	272	0	182
Extr. Rate, 999.9999	0.157576	0.166667	0.098814	0.161765	ERR	0.159341
Beginning Stocks	10	15	5	15	4	15
Production	26	3	25	44	0	29
MY Imports	225	186	250	175	0	150
MY Imp. from U.S.	30	75	10	60	0	50
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	261	204	280	234	4	194
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0

Industrial Dom. Consum	9	6	8	7	0	5
Food Use Dom. Consump.	244	181	266	210	0	167
Feed Waste Dom. Consum	3	2	2	2	0	2
TOTAL Dom. Consumption	256	189	276	219	0	174
Ending Stocks	5	15	4	15	0	20
TOTAL DISTRIBUTION	261	204	280	234	0	194
Calendar Year Imports	0	148	0	140	0	140
Calendar Yr Imp. U.S.	0	75	0	60	0	50
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Table 19: Palm Oil Production, Supply and Demand

PSD Table						
Country	Pakistan					
Commodity	Oil, Palm				(1000 HA)(1000 TREES)(1000 MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/2000		10/2001		10/2002
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	125	110	112	110	125	110
Production	0	0	0	0	0	0
MY Imports	1190	1080	1300	1150	0	1200
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	1315	1190	1412	1260	125	1310

MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	46	43	49	46	0	48
Food Use Dom. Consump.	1135	1015	1215	1081	0	1123
Feed Waste Consumption	22	22	23	23	0	24
TOTAL Dom. Consumption	1203	1080	1287	1150	0	1195
Ending Stocks	112	110	125	110	0	115
TOTAL DISTRIBUTION	1315	1190	1412	1260	0	1310
Calendar Year Imports	0	1000	0	1100	0	1100
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0