

Required Report: Required - Public Distribution

Date: July 06,2020

Report Number: IN2020-0078

Report Name: Oilseeds and Products Annual

Country: India

Post: New Delhi

Report Category: Oilseeds and Products

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Report Highlights:

Assuming a normal 2020 monsoon season (June-September) and favorable weather conditions, India's total oilseed production in Marketing Year (MY) 2020/21 (October-September) is forecast to rise two percent to 38.4 million metric tons (MMT), averaging one metric ton per hectare. An improved oilseed supply situation will help oil meal production rebound 5.2 percent to 17 MMT. Total oil meal exports will recover from 2.1 MMT to 2.5 MMT, but strong consumption demand, which is projected to rise 4.6 percent to 15.2 MMT, will limit the trade surplus. Concurrently, vegetable oil imports will rise six percent to 15 MMT to fill the supply-demand gap.

Market Commentary:

Assuming a normal monsoon, favorable weather conditions and near normal yields, India's MY 2020/21 (forecast year) oilseed production, which includes soybean, rapeseed, mustard, peanut, sunflower seed, cottonseed and copra, is forecast to rise two percent to 38.4 million metric tons (MMT), averaging one metric tons per hectare. Oilseed export will expand upwards of one million metric tons (MMT), particularly due to improved supply of domestic peanuts (hand-picked-select) and soybean (non-GM), albeit in smaller volume. Food use will also grow, led by peanut, rapeseed, mustard seed and soybeans. Additionally, India is increasingly importing soybeans, mostly for food-use, thereby making it a net importer in the forecast year (out-year).

In the first seven-months of the current marketing year (MY 2019/20), oilseed market prices (except peanuts) ran below the Minimum Support Price (MSP) stipulated by the government of India (GOI). Amid national lockdown (since March 24, 2020) and social distancing, oilseeds sale and supply has taken a hit, but is resuming in phases. Farmers may be holding onto their oilseed stocks in anticipation of better market price (market arrivals are also below last year's level) (Table 2). Demand for animal feed is still sluggish, especially after poultry meat consumption crashed when false rumors spread that poultry meat transmits the novel coronavirus.

Additionally, on June 1, 2020, the Federal government announced its schedule of MSP¹ for *kharif* crops for crop year 2020/21 (July-June), but this schedule favors coarse cereals (pearl millet and corn), and pulses (pigeon pea and black gram). Under the new MSPs, expected returns to farmers over their cost of production are estimated to be highest for pearl millet (83 percent), followed by black gram (64 percent), pigeon pea (58 percent) and corn (53 percent).

Return to farmers over their cost of production is estimated to be about 50 percent for oilseeds (Table 2), which is enough to ensure an improving oilseed supply situation in the forecast year: Indian oil meal production should rebound 5.2 percent to 17 MMT in forecast year. Similarly, total oil meal exports will recover from 2.1 MMT to 2.5 MMT, but strong consumption demand, which also is projected to rise 4.6 percent to 15.2 MMT, will limit the trade surplus.

In terms of soybean meal equivalent (SME), the out-year protein meal consumption will rise proportionately (nearly five percent) to 13.2 MMT due to resumption in demand for animal proteins. This year, poor soymeal exports (October 2019 to May 2020, down 67 percent) pushed down total oil meal exports by 42 percent (Table 13). Rapeseed meal exports have a positive trade trajectory and will add a little less than half a million tons through September 2020.

Additionally, there will be a net rise in availability of oilseeds for 'crush-to-oil', which will raise edible oil production by 3.5 percent to 8 MMT. Since edible oil consumption is also anticipated to rise 7.6 percent to 23 MMT, the resultant demand gap of 15 MMT will be filled through imports. The overall import of edible oils during Oct-2019 to May-2020 (Table 22) is currently reported at 8.2 MMT, which is eight percent below corresponding period of last year because of lower demand in last three months from bulk buyers and anticipated decline (-70 percent) in import of refined bleached deodorized (RBD) Palmolein, since it was placed on the restricted list with effect from January 8, 2020.

¹ The increase in MSP for *kharif* Crops for marketing season 2020-21 is in line with the Union Budget 2018-19 announcement of fixing the MSPs at a level of at least 1.5 times of the All-India weighted average Cost of Production (CoP), aiming at reasonably fair remuneration for the farmers.

Last year, Malaysia shipped excessive RBD Palmolien to India to benefit from a lower duty concession. This decline in the imports of palm products has directly benefitted the imports of soft oils such as soybean and sunflower, which increased by 14 percent and 10 percent respectively, to meet greater domestic consumption. By September 2020, India will import upwards of 14 MMT.

OILSEEDS SECTION

Table 1. INDIA: TOTAL OILSEEDS PSD

OILS ('000 metric tons)	MY 2018/19	MY 2019/20	MY 2020/21
Market Begin Year	Oct-18	Oct-19	Oct-20
	Revised	Estimate	Forecast
Area	37,634	38,830	38,374
Beginning Stocks	2,410	2,097	2,448
Production	36,131	37,617	38,395
MY Imports	213	215	260
Total Supply	38,754	39,929	41,099
MY Exports	778	763	1,004
Crush	28,214	28,529	29,556
Food Use Dom. Cons.	2,575	2,675	2,950
Feed Waste Dom. Cons.	5,090	5,518	5,417
Total Dom. Cons.	35,879	36,722	37,926
Ending Stocks	2,097	2,448	2,173
Total Distribution	38,754	39,929	41,099
Yield	0.96	0.97	1.00

Area and Production

India's MY 2020/21 (forecast year) oilseed production, which includes soybean, rapeseed, mustard, peanut, sunflower seed, cottonseed and copra, is forecast to rise two percent to 38.4 million metric tons (MMT), averaging one metric ton per hectare (near-normal yields). This assumes a normal monsoon and favorable weather conditions through planting to crop growth. Post expects non-traditional growing regions to add planting acres.

Oilseed prices are recovering, but are still below GOI's stipulated MSP. Peanuts are an exception: their price were up eight percent in the last three months. Owing to measures taken during the national lockdown (since March 24, 2020), oilseed sales and supply dropped, but both are recovering with the reopening of the economy. An unfortunate rumor that poultry meat spreads the novel coronavirus also depressed demand for oilseeds when poultry production subsequently crashed. Farmers may be holding stocks in anticipation of better market prices (market arrivals are also below last year's level) (Table 2).

Additionally, on June 1, 2020, the Federal government announced the MSP² schedule for *kharif* crops for crop year 2020/21 (July-June), which favors coarse cereals (pearl millet and corn), and pulses (pigeon pea and black

² The increase in MSP for *Kharif* Crops for marketing season 2020-21 is in line with the Union Budget 2018-19 announcement of fixing the MSPs at a level of at least 1.5 times of the All-India weighted average Cost of Production (CoP), aiming at reasonably fair remuneration for the farmers.

gram). Under the schedule of new MSPs, the expected returns to farmers over their cost of production are estimated to be highest for pearl millet (83 percent), followed by black gram (64 percent), pigeon pea (58 percent) and corn (53 percent). For oilseeds, the net return to farmer over cost of production is estimated to be about 50 percent ([PIB Press Release](#)). As a result, Post expects that farmers may diversify for more remunerative crops and therefore do not expect a significant jump in area and production for oilseeds. Please Note: *minor oilseed crops such as niger, sesamum and safflower are not covered in this report.*

The MY 2019/20 oilseed production is revised lower to 37.6 MMT, some 500,000 metric tons (MT) below previous forecast to reflect the latest trade estimate, but still up by four percent year on year. Since more than two-thirds of total oilseed production is dependent on monsoon rainfall, inadequate and erratic rainfall has typically resulted in lower than anticipated oilseed production.

Policy:

The National Mission on Oilseeds and Oil palm (NMOOP)

Vision:

With effect from Indian Fiscal Year (IFY) 2018-19, the NMOOP scheme has been merged with National Food Security Mission ([NFSM](#)) and is being implemented as **NFSM (OS&OP)**. This scheme comprises includes three sub-missions: NFSM-Oilseeds; NFSM-Oil Palm; and NFSM-Tree Borne Oilseeds (TBO). The scheme is being implemented through the State Department of Agriculture/ Horticulture in 25 States. [Note: *further details on NMOOP are available at the end of the Oilseed section (marked \$\$).*]

Policy Announcements/Update:

The GOI is facilitating marketing of agricultural produce by the farmers. Advisories were issued by the Union Government to State Governments and Union Territories to abolish the State Agricultural Produce Market Committee Act, which required farmers to sell to the state as an intermediary. Instead, farmers, farmer producer organizations, and cooperatives may now sell directly to bulk buyers, retailers, and processors.

In addition, the support scheme known as "Pradhan Mantri Annadata Aay Sanrakshan Abhiyan³" (PM-AASHA), which was announced by the government in 2018, will aid in providing remunerative return to farmers for their produce in the following ways:

- a) **Price Support Scheme (PSS)**: physical procurement of pulses, oilseeds, and copra by Central Nodal agencies. Federal government will bear the procurement expenditures and any losses incurred.
- b) **Price Deficiency Payment Scheme (PDPS)**: to cover all oilseeds for which MSP is notified. Farmers will get direct payment for the difference between MSP and selling price.
- c) **Private Procurement & Stockist Scheme (PPSS)** on a pilot basis: private sector participation in procurement operation. For oilseeds, states have the option to roll out Public Private Partnership (PPP) on a pilot basis.

³ Literal meaning of Annadata Aaya Sanrakshan Abhiyan is food provider income protection expedition.

Additionally, on June 3, 2020, the Federal government presented a set of ordinances to push forward its ‘One India, one agriculture market’ project and allow farmers to trade freely. The Union Cabinet approved (*below is an excerpt from PIB press release*):

1) **historic amendment to the Essential Commodities Act** under which commodities like cereals, pulses, **oilseeds, edible oils**, onions, and potatoes will be removed from list of essential commodities. This move intends to remove fears of private investors of excessive regulatory interference in their business operations and also safeguards the interest of consumers and exporters.

2) **The Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020** which creates a system for farmers and traders to enjoy freedom of choice of sale and purchase of agricultural produce. The proposal for the system will include an electronic trading platform and dispute resolution mechanism. It will also promote barrier-free inter-state and intra-state trade and commerce outside the physical premises of markets notified under State Agricultural Produce Marketing legislations.

3) **The Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Ordinance, 2020**: empowers farmers to engage with stakeholders in a value chain on a level playing field without fear of exploitation. It will help farmers transfer market risk, access better technology, inputs, all of which should improve their income. This Ordinance will act as a catalyst to attract private sector investment for building supply chains to supply Indian farm produce to global markets.

Source: ([PIB Press Release](#), June 2020)

Consumption

a) Crush

The total oilseed crush in the forecast year will rise four percent to 29.6 MMT on rising demand for its derivatives, food and feed, seed use in line with the rise in oilseed supply.

b) Food Use Consumption

Food use of oilseeds will rise 10.3 percent to almost 3 MMT, driven by recovery in supply of peanuts, rapeseed, mustard seed, and soybeans. Food products made from oilseeds include: savory products, candy bars, snack foods, curries, and sauces made from peanuts, rapeseed, mustard seed, and soybean.

c) Feed, Seed, Waste Consumption

This category is expected to dip two percent to 5.4 MMT, due to slight decline in planted area. This category is driven by waste from cottonseed, soybean and peanut, which are forecast at 3.3 MMT, 1.1 MMT, and 0.6 MMT respectively. “Waste” broadly also includes seeds retained for sowing/re-sowing operations, and feed and industrial use.

Trade

MY 2020/21 oilseeds exports have strengthened in last six months ending March 2020 and should grow 32 percent to one MMT, a value of about one billion USD at current international prices and exchange rates. Exports will include high-value hand-picked-select (HPS) peanuts, soybean (non-GM), and limited quantities of copra. Peanuts will make an estimated 75 percent of total export sales, and the remainder will be soybeans.

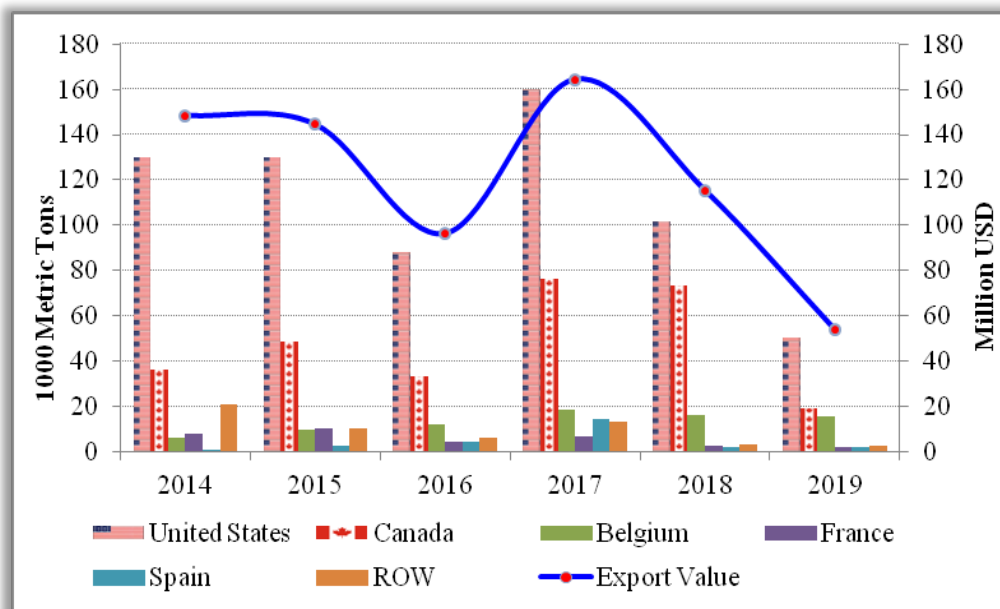
The Agricultural Produce and Export Development Authority (www.apeda.gov.in) have guidelines for the export of peanuts and peanut products. Indian peanuts are in great demand from countries such as Indonesia, Russia, Vietnam, Thailand, Philippines, Algeria, China, Malaysia, Iran, as well as neighbouring countries. Besides peanuts, non-GM Indian products such as soybeans also find markets in the United States, Canada, Belgium, Spain, France, Sri Lanka. Another export, copra, is imported by Nepal, Afghanistan, UAE, the United States, Australia, Canada, Kuwait, and Singapore, but volumes are thin.

Oilseed imports are also growing steadily. In MY 2018/19 India imported upwards of 213,000 metric tons of peanut, soybean and copra worth \$110 million. In the first six months of MY 2019/20, imports grew faster than in the corresponding period last year.

i) India is a now a net importer of soybeans: From October 2019 to February 2020, India imported some 114,000 metric tons of soybeans worth \$59 million in comparison to 26,000 metric ton imports worth \$12 million⁴. The national lockdown prevented much trade for the last four months. Please refer to Figure 1 and 2 below.

India is a net importer of soybeans and increasingly so in recent years. Exports were down because of lower than expected purchases by Asian and Middle Eastern buyers, while imports continued to grow (Figure 1) from Australia, as well as the United States, Vietnam and African countries. (Note: a concessional duty agreement favors Malawi, Mozambique, Togo, Ethiopia, Djibouti, Benin, and Ghana.) India only buys non-GMO soybeans, whether for feed or food use. India exports non-Genetically Modified grade soybeans to the United States, Canada, Belgium, Qatar, Kuwait, UAE, UK, New Zealand, and Australia.

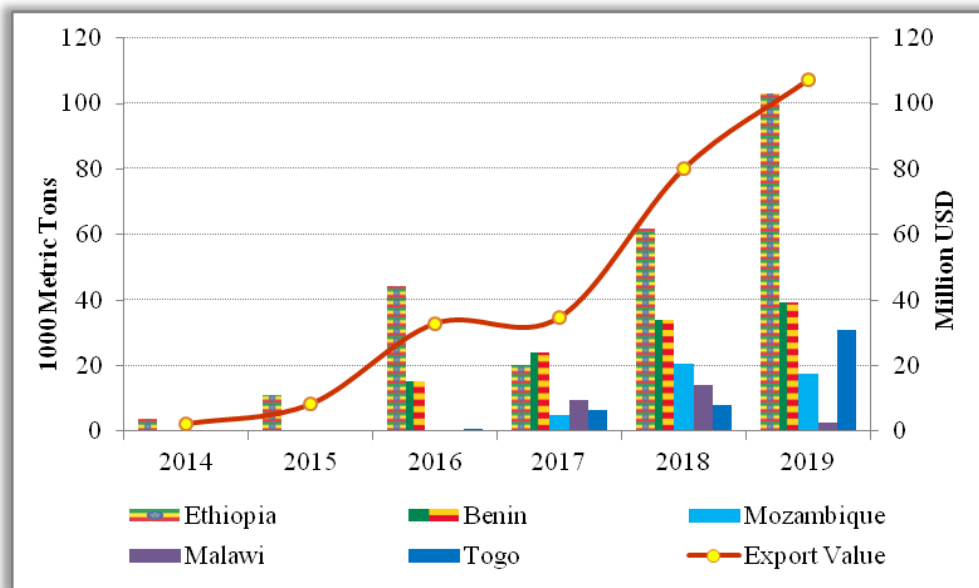
Figure 1. India: Soybean Exports to the World, Calendar Year



Source: Trade Data Monitor (TDM)

⁴ Trade Data Monitor/Ministry of Commerce & Industry, GOI

Figure 2. India: Soybean Imports from the World, Calendar Year



Source: TDM

ii) Policy for soybean imports into India: India’s trade policy effectively prohibits import of GM soybeans. However, non-GM soybeans are eligible for import from any country for ‘consumption and processing’. These imports are allowed if additional declarations are provided such as free from Bruchids, weed free crop/area certification, or zero dockage certifications in respect of weed seeds in the phytosanitary certificate, or devitalisation of seed by heat treatment at 120°C for 15 minutes, or any other treatment as advised by the GOI’s Plant Protection Adviser (PPA). The management of handling, transportation, milling and processing of import consignments and manner of disposal will be as advised by the PPA.
(Source: <http://plantquarantineindia.nic.in/PQISPub/pdf/PQorder2015.pdf>).

iii) Import Duty on ‘soybeans, other than of seed quality’, is 57 percent (56.98 precisely), which includes a 10 percent social welfare cess and five percent Integrated Goods and Service Tax (IGST) (basic customs duty is 45 percent). Generally, oilseeds can be imported into India without any quantity restrictions, but typically face high tariffs and complex phyto-sanitary requirements. Basic import duty on most oilseeds is 30 percent.

Stocks

Total oilseed inventory in MY 2020/21 will be limited to 2.2 MMT, some 275,000 metric tons below last year, but still above five-year-average stocks of 1.9 MMT. Last year’s stocks were revised higher due to a lower than anticipated crush, although the food and feed waste utilization is expected to continue rising steadily through Sept 2020. Also, oilseed stocks held by the National Agricultural Cooperative Marketing Federation of India (NAFED⁵) are likely to be relatively large, but privately held stocks minimal. Since Indian Fiscal Year

⁵ NAFED is one of the Central Nodal Agencies for procurement of 16 notified agricultural commodities of Oilseeds, Pulses and Cotton under Price Support Scheme (PSS) and continues to be the sole Central Nodal Agency for procurement of Milling Copra, Ball Copra and De-husk Coconut under Price Support Scheme. Under the scheme, procurement is to be undertaken if the market price of FAQ stocks run at or below the declared MSPs and procurement is to be continued till the market prices stabilize above the declared MSP or harvesting period of 90 days as declared by respective State Governments, whichever is earlier.

(IFY) 2014/15 to 2018/19, NAFED has procured upwards of 3 MMT oilseeds. The GOI's Commission for Agriculture Costs & Prices (CACP) recommends a higher MSP to boost output and provide a better return to farmers.

Table 2. India: Open Market Prices vis-à-vis Minimum Support Price⁶

Commodity	Minimum Support Price (Rs/100 kg)			Market Price* in 2019/20 Oct-2019, May 2020 (PoP, YoY)	Market Arrivals Oct 2019-May 2020 against Oct 2018-May 2019
	2020-21	2019-20	2018-19		
Soybean	3,880	3,710	3,050	3,390, 3,600 [-8.0%, 1.2%]	-10 percent
Rapeseed- Mustard	4,425	4,200	4,000	3,800, 4,050 [0.8%, 12.8%]	-12 percent
Peanut (Inshell)	5,275	5,090	4,450	5,000, 5,500 [-7.4%, 8.6%]	-1 percent
Sunflower seed	5,885	5,650	4,100	3,540, 3,600 [-0.5%, 2.9%]	+ 2 percent

Bonus of ^: INR 100, ^^: INR 200, *: INR 100 and ~ INR 200 included

Figure in square brackets indicate appreciation/depreciation in prevailing market prices in relation to corresponding period last year.

Source: Directorate of Economics and Statistics and Directorate of Agricultural Marketing, GOI.

**Table 3. India: Commodity, Oilseed, Soybean, PSD
(Area in 1000 hectares and production in 1000 metric tons)**

Oilseed, Soybean Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Area Planted (1000 HA)	11500	11300	12000	11400	11500	11000
Area Harvested (1000 HA)	11330	11300	12000	11400	11400	11000
Beginning Stocks (1000 MT)	339	339	432	433	372	558
Production (1000 MT)	10930	10930	9300	9000	10500	10000
MY Imports (1000 MT)	204	204	150	210	100	260
Total Supply (1000 MT)	11473	11473	9882	9643	10972	10818
MY Exports (1000 MT)	165	165	110	110	135	250
Crush (1000 MT)	9600	9100	8300	7300	9400	8400
Food Use Dom. Cons. (1000 MT)	440	525	400	475	420	500
Feed Waste Dom. Cons. (1000 MT)	836	1250	700	1200	715	1200
Total Dom. Cons. (1000 MT)	10876	10875	9400	8975	10535	10100
Ending Stocks (1000 MT)	432	433	372	558	302	468
Total Distribution (1000 MT)	11473	11473	9882	9643	10972	10818
Yield (MT/HA)	0.9647	0.9673	0.775	0.7895	0.9211	0.9091

Table 4. India: Commodity, Oilseed, Rapeseed, PSD

⁶ The increase in MSP for *Kharif* Crops for marketing season 2020-21 is in line with the Union Budget 2018-19 announcement of fixing the MSPs at a level of at least 1.5 times of the All-India weighted average Cost of Production (CoP), aiming at reasonably fair remuneration for the farmers. Government's production-centric approach is being replaced by income-centric approach. Concerted efforts were made over the last few years to realign the MSPs in favor of oilseeds, pulses and coarse cereals to encourage farmers shift to larger area under these crops and adopt best technologies and farm practices, to correct demand - supply imbalance.

(Area in 1000 hectares and production in 1000 metric tons)						
Oilseed, Rapeseed Market Year Begins India	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	7200	7000	7400	6950	7200	7200
Area Harvested (1000 HA)	7200	7000	7400	6950	7200	7200
Beginning Stocks (1000 MT)	369	369	469	569	219	569
Production (1000 MT)	8000	8000	7700	7500	7650	7800
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	8369	8369	8169	8069	7869	8369
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	6900	6800	7000	6600	6800	6700
Food Use Dom. Cons. (1000 MT)	650	650	650	600	650	650
Feed Waste Dom. Cons. (1000 MT)	350	350	300	300	300	350
Total Dom. Cons. (1000 MT)	7900	7800	7950	7500	7750	7700
Ending Stocks (1000 MT)	469	569	219	569	119	669
Total Distribution (1000 MT)	8369	8369	8169	8069	7869	8369
Yield (MT/HA)	1.1111	1.1429	1.0405	1.0791	1.0625	1.0833

Table 5. India: Commodity, Oilseed, Peanut, PSD (Area in 1000 hectares and production in 1000 metric tons)						
Oilseed, Peanut Market Year Begins India	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	4850	4300	4900	4900	4900	5200
Area Harvested (1000 HA)	4731	4300	4800	4900	4800	5200
Beginning Stocks (1000 MT)	1240	1240	355	760	659	814
Production (1000 MT)	4720	5000	6300	6800	5500	7200
MY Imports (1000 MT)	4	4	4	4	4	0
Total Supply (1000 MT)	5964	6244	6659	7564	6163	8014
MY Exports (1000 MT)	609	609	750	650	675	750
Crush (1000 MT)	3300	3000	3450	4000	3350	4400
Food Use Dom. Cons. (1000 MT)	1300	1400	1350	1600	1350	1800
Feed Waste Dom. Cons. (1000 MT)	400	475	450	500	375	550
Total Dom. Cons. (1000 MT)	5000	4875	5250	6100	5075	6750
Ending Stocks (1000 MT)	355	760	659	814	413	514
Total Distribution (1000 MT)	5964	6244	6659	7564	6163	8014
Yield (MT/HA)	0.9977	1.1628	1.3125	1.3878	1.1458	1.3846

Table 6. India: Commodity, Oilseed, Cottonseed, PSD (Area in 1000 hectares and production in 1000 metric tons)			
Oilseed, Cottonseed	2018/2019	2019/2020	2020/2021

Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Area Planted (Cotton) (1000 HA)	12600	12600	13300	13300	13000	12644
Area Harvested (Cotton) (1000 HA)	12600	12600	13300	13300	12500	12644
Seed to Lint Ratio (RATIO)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	462	462	318	335	518	507
Production (1000 MT)	10953	10970	12949	12970	12100	12115
MY Imports (1000 MT)	3	3	1	2	1	0
Total Supply (1000 MT)	11418	11435	13268	13307	12619	12622
MY Exports (1000 MT)	0	0	0	0	0	0
Crush (1000 MT)	8500	8100	9650	9300	9650	8800
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	2600	3000	3100	3500	2525	3300
Total Dom. Cons. (1000 MT)	11100	11100	12750	12800	12175	12100
Ending Stocks (1000 MT)	318	335	518	507	444	522
Total Distribution (1000 MT)	11418	11435	13268	13307	12619	12622
Yield (MT/HA)	0.8693	0.8706	0.9736	0.9752	0.968	0.9582

Table 7. India: Commodity, Oilseed, Sunflower seed, PSD (Area in 1000 hectares and production in 1000 metric tons)						
Oilseed, Sunflowerseed Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	270	255	250	240	250	230
Area Harvested (1000 HA)	263	255	240	240	245	230
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	172	250	182	205	185	200
MY Imports (1000 MT)	2	2	2	3	2	0
Total Supply (1000 MT)	174	252	184	208	187	200
MY Exports (1000 MT)	2	2	2	0	2	0
Crush (1000 MT)	155	235	153	190	165	180
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	17	15	29	18	20	20
Total Dom. Cons. (1000 MT)	172	250	182	208	185	200
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	174	252	184	208	187	200
Yield (MT/HA)	0.654	0.9804	0.7583	0.8542	0.7551	0.8696

Table 8. India: Commodity, Oilseed, Copra, PSD (Area in 1000 hectares and production in 1000 metric tons)						
Oilseed, Copra Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
India	USDA	New Post	USDA	New Post	USDA	New Post

	Official		Official		Official	
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	2230	2179	2230	2040	2230	2100
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	750	981	750	1142	750	1080
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	750	981	750	1142	750	1080
MY Exports (1000 MT)	2	2	2	3	2	4
Crush (1000 MT)	748	979	748	1139	748	1076
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	748	979	748	1139	748	1076
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	750	981	750	1142	750	1080
Yield (MT/HA)	0.3363	0.4502	0.3363	0.5598	0.3363	0.5143

\$\$ Supplementary details on NMOOP:

Based on the status paper from NMOOP, growing domestic demand for edible oils, static domestic production, and recurring foreign exchange shortfalls on account of imports, together all drive the need to scale up domestic production. By 2022 (IFY 2022/23), the NMOOP plans to produce 45.64 MMT from nine oilseed crops (which includes minor oilseeds) on 31.2 million hectares. This means an additional 15.6 MMT of oilseeds from 30.06 MMT production levels achieved in the five-year period ending (QE) 2016-17 (see Table 9 and 10 below).

At 25 percent recovery, 45.6 MMT of oilseeds will produce 11.4 MMT of vegetable oil, against current production of 7 MMT. The vegetable oil availability from secondary sources such as coconut, cotton seed, rice bran, solvent extracted oil (SEO), and tree and forest origin has been estimated at 5.22 MMT by 2022. With the addition of just 0.4 MMT from palm oil, the anticipated vegetable oil availability comes to 17.03 MMT against 33.20 MMT actual requirement by 2020 (assuming annual per capita consumption at 22 kilogram and industrial use upwards of 400,000 metric tons).

The resultant consumption gap of 16.2 MMT (equals almost 50 percent of total consumption requirement) will be met through imports against current 65 percent requirement met through imports (15 percent improvement). This will mark a significant reduction in the import burden of about INR 150 billion from the current level. Although excessive consumption of oil is not good for health, consumers with higher purchasing power and lack of knowledge relating to optimum level of consumption of vegetable oils tend to increase their consumption.

Table 9: India. Status and anticipated area, production and yield of oilseed crops in India

Crop	Quinquennium ending 2016-17			Year 2022		
	Area (m. ha)	Production (m. tons)	Yield (tons/ha)	Area (m. ha)	Production (m. tons)	Yield (tons/ha)
Soybean	11.38	11.94	1.05	12.50	18.75	1.50
Groundnut	4.99	7.39	1.47	5.72	9.72	1.70
R & M	6.19	7.39	1.19	7.47	11.95	1.60
Sunflower	0.59	0.44	0.75	0.97	0.87	0.90
Safflower	0.16	0.08	0.53	0.27	0.22	0.80
Sesame	1.75	0.77	0.41	1.97	1.18	0.60
Niger	0.26	0.08	0.32	0.32	0.16	0.50
Castor	1.06	1.80	1.70	1.40	2.45	1.75
Linseed	0.28	0.14	0.49	0.57	0.34	0.60
Total	26.67	30.06	1.13	31.20	45.64	1.46

Source: DFI Committee Estimates based on data compiled from DACNET

Source: Adopted from [NFSM Status Paper](#)

Table 10: India. Assessment of Vegetable Oil Requirement for 2022

Item/Year	2022
Expected population (billion)	1.34
Per capita consumption (kg/annum)	21.70
Vegetable oil requirement for direct consumption (mt)	29.08
Vegetable oil requirement for industrial use (mt)	4.12
Total vegetable oil requirement (mt)	33.20
Vegetable oil production from annual oilseeds	11.41
Vegetable oil production from oil palm	0.40
Vegetable oil availability from secondary sources (mt)	5.22
Total vegetable oilseeds requirement from 9 annual oilseed crops (mt)	45.64
Total vegetable oil availability from primary and secondary sources including oil palm	17.03
Dependence on imports	16.13

Source: DFI Committee Estimates

Source: Adopted from [NFSM Status Paper](#)

Strategy:

The proposed strategies are categorized under three situations as follows.

1. Increasing seed production and distribution of newly released varieties.
2. Low cost technologies with high impact on productivity resulting in higher income.
3. Technologies with high impact that involve reasonable investment with high return on investment (ROI), with emphasis on eco-friendliness, and high input use efficiency.
4. Strategies with emphasis on quality improvement and value addition leveraging technologies with a bearing on the employment through skill/ entrepreneurship development.

Need for National Mission on Edible Oils (NMEO):

It is proposed to launch new Mission to reduce the import burden and to increase domestic availability of edible oils and move towards the goal of self-sufficiency. The proposed National Mission on Edible Oils (NMEO) will cover both primary and secondary sources of edible oils, including post-harvest management and consumer awareness. Currently DAC&FW is implementing National Food Security Mission (NFSM)-Oilseeds & Oil Palm focusing on nine oilseed crops. NMEO will be launched from IFY 2020-21 initially for five years (2020-25). Proposed NMEO will comprise of four Sub-Missions with a budgetary outlay of INR 100 billion as Federal government share (Source: adopted from latest SEA News Circular, May Issue)

MEALS SECTION

Table 11. INDIA: TOTAL OIL MEALS PSD

OILS ('000 metric tons)	MY 2018/19	MY 2019/20	MY 2020/21
Market Begin Year	Oct-18	Oct-19	Oct-20
	Revised	Estimate	Forecast
Crush	28,214	28,529	29,556
Beginning Stocks	662	779	833
Production	16,410	16,206	17,044
MY Imports	454	520	510
Total Supply	17,526	17,505	18,387
MY Exports	2,648	2,147	2,509
Industrial Dom. Cons.	0	0	0
Food Use Dom. Cons.	245	160	211
Feed Waste Dom. Cons.	13,854	14,365	14,988
Total Dom. Cons.	14,099	14,525	15,199
Ending Stocks	779	833	679
Total Distribution	17,526	17,505	18,387

Production

MY 2020/21 oil meal production is forecast to recover five percent to 17 MMT due to improved oilseed supply situation and anticipated recovery in oil meal consumption. Likewise, the current year's oil meal production is revised to 16.2 MMT, which is 10 percent below previous forecast (of 2019) and down 204,000 MT below MY 2018/19 (Table 11).

Normally, an estimated 80 percent of India's total oilseed supply gets crushed for meal and oil. The oil meal derived is used mostly for animal feed use and only a small amount goes for food purpose. However, the specific end-use allocation can vary according to available domestic supplies and export demand for Indian oil meal during the marketing year.

Consumption

Total oil meal consumption in out-year will rise some 4.6 percent to 15.2 MMT, of which 15 MMT is feed waste consumption. Consumption growth will include 5 MMT of soybean meal, 4.1 MMT cottonseed meal (primarily for cattle feed), 2.9 MMT of rapeseed meal, 1.8 MMT of peanut meal, and 900,000 metric tons of

other available oil meals. In terms of soybean meal equivalent (SME), the out-year protein meal consumption will also rise proportionately (4.7 percent) to 13.2 MMT (see Table 12 below). Current year, SME growth will be just 4.3 percent (compared to previous year-MY 2018/19) due to net decline in demand of animal feed, mostly from the Indian poultry sector.

The poultry sector consumes slightly more than half of India’s soybean and corn production. In general, feed prices constitute about 70-75 percent of total production cost of poultry meat. India’s organized feed industry primarily uses soy meal, as well as meal from peanut, sunflower seed, and rapeseed in various formulations. Given the recent drop in demand for poultry meat production (due to fear that COVID can spread through poultry meat or live birds), feed millers, which includes some poultry producers, had greatly reduced purchases of raw materials, the demand for which fell by more than 25-30 percent in the last two months ending May 2020.

Feed mills, particularly ones in northern India, were reported to be operating below 30 percent of their normal capacity as a result. Also, until last month, major poultry meat processors were operating at 30-35 percent capacity and poultry meat consumption was reported at 30 percent of normal due to the drop in demand from hotels, retailers, and caterers (HORECA). More recently demand from household consumers is picking up and some e-retailers are filling that space through direct-home delivery.

Table 12. India: SME in 1000 MTs, Marketing Years

Oil meals	MY 2018/19	MY 2019/20	MY 2020/21
Soybean meal	5,100	4,900	5,300
Rapeseed meal	2,135	1,921	2,063
Peanut meal	1,339	1,793	1,971
Sunflower seed meal	180	213	223
Cottonseed meal	3,053	3,484	3,322
Copra meal	237	248	271
Total	12,044	12,559	13,150

Source: FAS Database

In addition to animal feed use, oil meals like soymeal are increasingly used in processed food products, healthcare products, and as low-cost high-protein supplements. Soymeal is widely used as texturized protein (chunks, flakes, and nuggets), to fortify other food products such as wheat flours, biscuits, or for the extraction of protein isolates (with a 90 percent or more protein content, it is a good substitute for animal protein). Note: the industrial domestic consumption is reported to be zero.

Trade

Assuming normal market conditions and competitive pricing, Indian oil meal exports in MY 2020/21 are forecast to recover to 2.5 MMT, which is 17 percent above the current year’s estimate of 2.1 MMT. The trade surplus for out-year will be limited by an anticipated rise in domestic consumption and is projected to grow at 4.6 percent to 15.2 MMT year on year. Out-year exports will mostly include 1.3 MMT of soymeal and 1.2 MMT of rapeseed meal.

This year, a slowdown in purchase of Indian oil meals from Asian and Middle Eastern buyers had led to a dip in exports. Referring Table 13 below (Oct 2019 to May 2020), a steep fall in soymeal exports depressed total Indian oil meal exports by 42 percent, except for competitively priced Indian rapeseed meal, which is expected to add to export totals a little less than half a million tons through September 2020. By contrast Indian soymeal export prices were uncompetitive even with an export incentive of five percent; please see policy below).

Trade experts believe that any uptick in prices during the remainder of the year will further curb soymeal exports and possibly drop total oil meal exports to less than 1.8 MMT, with remaining supplies being diverted to domestic use. In the past, competitively priced oil meals from other international destinations have eroded opportunities for Indian oil meals, particularly among Asian and Middle Eastern buyers.

Table 13. India: Oil meal Exports, in Thousand Metric Tons

	Soybean meal	Rapeseed meal	Peanut meal	Total
Oct-19	63,800	96,442	0	Oct-19
Oct-19	63,800	96,442	0	1,60,242
Nov-19	69,415	73,235	111	1,42,761
Dec-19	72,233	60,178	0	1,32,411
Jan-20	41,726	97,998	0	1,39,724
Feb-20	48,990	32,880	0	81,870
Mar-20	32,818	89,235	0	1,22,053
Apr-20	25,940	21,439	0	47,379
May-20	46,614	1,44,244	0	1,90,858
Surface Transport [^]	60,000	90,000	0	1,50,000
Oct 19 to May-20	4,61,536	7,05,651	111	11,67,298
Oct 18 to May-19	13,82,194	6,11,712	3,027	19,96,933
% Change	(67)	15	(96)	(42)

Source: Solvent Extractors' Association of India. ^ Corresponding period surface transport (Oct-Mar) was 390,000 metric tons and was included in trade data for last year.

Policy

The GOI's Ministry of Commerce has clarified that export incentives under Merchandise Export from India Scheme (MEIS) will be available to exporters through December 31, 2020. A new scheme, Remission of Duties and Taxes on Exported Products (RoDTEP), involves remission of duties and taxes on export products and was approved in March 2020; it will replace MEIS.

Under MEIS, the government provides duty benefits depending on product and country. Rewards under the scheme are payable as percentage of realized free-on-board value and MEIS duty credit scrip can be transferred or used for payment of a number of duties including the basic customs duty.

As per [Trade Notice: 3/2020-21](#) dated April 15, 2020, India's office of the Director General of Foreign Trade, Ministry of Commerce, announced the following "without prejudice and subject to changes that may be deemed necessary in public interest from time to time":

- 1) Benefits under MEIS for any item/tariff line /HS Code currently listed in Appendix 3B, Table 2 (MEIS Schedule) will be available only up to December 31, 2020;
- 2) Prior December 31, 2020, as and when an item/tariff line/HS code is notified to be covered under RoDTEP Scheme, it would at the same time be removed from coverage under MEIS;
- 3) Detailed operational framework for the Scheme for RoDTEP will be notified separately in consultation with Department of Revenue, Ministry of Finance.

Effective January 1, 2020, the MEIS rate for oil-cake and oil-cake meal of soya bean expeller variety, oil cake of soybean, solvent extracted (defatted) variety, meal of soybean, solvent extracted (defatted) variety, flours and meals of soybeans, other residues of rape or colza seeds (effective January 1, 2017), is five percent.

While there are no quantitative restrictions on oil meal imports, the availability of other cheap feed material continues to discourage imports, even at a zero import duty. Please see below import duty on major oil meals.

- * Import of animal origin items or the products intended for animal feeding containing animal origin materials under ITC (HS) code 2309 'Preparations of a kind used in Animal Feeding' shall be subject to sanitary import permit to be issued by Department of Animal Husbandry, Dairy, Fishery, GOI (DGFT Notification No. 36 dated January 17, 2017. A five percent duty is applicable on prawn feed, shrimp larvae feed and fish feed in pellet form ([Customs Notification No.50/2017](#)). No IGST will be applicable on it. Feed additives or pre-mixes will however attract a concessional 20 percent import duty.
- * A 15 percent basic import duty (BCD) is applicable on import of oilcakes and solid residues (whether or not ground or in the form of pellets) resulting from the extraction of oils.
- * A 30 percent import duty is applicable on flour and meals of soybean (120810) and of other oilseeds (other than mustard and soybean) with HS Code 120890 (total duty with 5 percent IGST is 39.65 percent).

Table 14. India: Commodity, Meal, Soybean, PSD						
(Units in 1000 metric tons, Extraction rate in Percent)						
Meal, Soybean	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
Market Year Begins	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush (1000 MT)	9600	9100	8300	7300	9400	8400
Extr. Rate, 999.9999 (PERCENT)	0.8	0.8	0.8	0.8	0.8	0.8
Beginning Stocks (1000 MT)	215	215	480	549	230	379
Production (1000 MT)	7680	7280	6640	5840	7520	6720
MY Imports (1000 MT)	49	49	50	40	50	0
Total Supply (1000 MT)	7944	7544	7170	6429	7800	7099
MY Exports (1000 MT)	2184	1665	1450	1000	1870	1300
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	230	230	250	150	265	200
Feed Waste Dom. Cons. (1000 MT)	5050	5100	5240	4900	5525	5300
Total Dom. Cons. (1000 MT)	5280	5330	5490	5050	5790	5500
Ending Stocks (1000 MT)	480	549	230	379	140	299
Total Distribution (1000 MT)	7944	7544	7170	6429	7800	7099

Table 15. India: Commodity, Meal, Rapeseed, PSD (Units in 1000 metric tons, Extraction rate in Percent)						
Meal, Rapeseed Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	6900	6800	7000	6600	6800	6700
Extr. Rate, 999.9999 (PERCENT)	0.5942	0.5379	0.5957	0.59	0.5956	0.59
Beginning Stocks (1000 MT)	447	447	397	165	392	259
Production (1000 MT)	4100	3658	4170	3894	4050	3953
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	4547	4105	4567	4059	4442	4212
MY Exports (1000 MT)	950	940	875	1100	875	1200
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3200	3000	3300	2700	3180	2900
Total Dom. Cons. (1000 MT)	3200	3000	3300	2700	3180	2900
Ending Stocks (1000 MT)	397	165	392	259	387	112
Total Distribution (1000 MT)	4547	4105	4567	4059	4442	4212

Table 16. India: Commodity, Meal, Peanut, PSD (Units in 1000 metric tons, Extraction rate in Percent)						
Meal, Peanut Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	3300	3000	3450	4000	3350	4400
Extr. Rate, 999.9999 (PERCENT)	0.4197	0.4	0.4188	0.4	0.4179	0.4
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	1385	1200	1445	1600	1400	1760
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1385	1200	1445	1600	1400	1760
MY Exports (1000 MT)	7	4	6	5	6	6
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	5	5	5	0	5	0
Feed Waste Dom. Cons. (1000 MT)	1373	1191	1434	1595	1389	1754
Total Dom. Cons. (1000 MT)	1378	1196	1439	1595	1394	1754
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	1385	1200	1445	1600	1400	1760

Table 17. India: Commodity, Meal, Cottonseed, PSD

(Units in 1000 metric tons, Extraction rate in Percent)						
Meal, Cottonseed Market Year Begins India	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	8500	8100	9650	9300	9650	8800
Extr. Rate, 999.9999 (PERCENT)	0.4676	0.47	0.4674	0.4699	0.4674	0.47
Beginning Stocks (1000 MT)	0	0	0	0	0	30
Production (1000 MT)	3975	3807	4510	4370	4510	4136
MY Imports (1000 MT)	30	0	45	0	50	0
Total Supply (1000 MT)	4005	3807	4555	4370	4560	4166
MY Exports (1000 MT)	32	39	30	40	28	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	3973	3768	4525	4300	4532	4100
Total Dom. Cons. (1000 MT)	3973	3768	4525	4300	4532	4100
Ending Stocks (1000 MT)	0	0	0	30	0	66
Total Distribution (1000 MT)	4005	3807	4555	4370	4560	4166

Table 18. India: Commodity, Meal, Sunflower seed, PSD (Units in 1000 metric tons, Extraction rate in Percent)						
Meal, Sunflowerseed Market Year Begins India	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	155	235	153	190	165	180
Extr. Rate, 999.9999 (PERCENT)	0.4839	0.4809	0.4837	0.4842	0.4848	0.4833
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	75	113	74	92	80	87
MY Imports (1000 MT)	156	157	180	230	175	250
Total Supply (1000 MT)	231	270	254	322	255	337
MY Exports (1000 MT)	2	0	2	2	1	3
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	229	270	252	320	254	334
Total Dom. Cons. (1000 MT)	229	270	252	320	254	334
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	231	270	254	322	255	337

Table 19. India: Commodity, Meal, Copra, PSD (Units in 1000 metric tons, Extraction rate in Percent)			
Meal, Copra	2018/2019	2019/2020	2020/2021

Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush (1000 MT)	748	979	748	1139	748	1076
Extr. Rate, 999.9999 (PERCENT)	0.3529	0.3596	0.3529	0.36	0.3529	0.3606
Beginning Stocks (1000 MT)	0	0	0	65	0	165
Production (1000 MT)	264	352	264	410	264	388
MY Imports (1000 MT)	247	248	200	250	200	260
Total Supply (1000 MT)	511	600	464	725	464	813
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	10	10	10	10	10	11
Feed Waste Dom. Cons. (1000 MT)	501	525	454	550	454	600
Total Dom. Cons. (1000 MT)	511	535	464	560	464	611
Ending Stocks (1000 MT)	0	65	0	165	0	202
Total Distribution (1000 MT)	511	600	464	725	464	813

OILS SECTION

Table 20. INDIA: TOTAL OILS PSD

OILS ('000 metric tons)	MY 2018/19	MY 2019/20	MY 2020/21
Market Begin Year	Oct-18	Oct-19	Oct-20
	Revised	Estimate	Forecast
Crush	28,214	28,529	29,556
Beginning Stocks	1,681	1,393	1,826
Production	7,355	7,756	8,026
MY Imports	14,206	14,140	15,000
Total Supply	23,242	23,289	24,852
MY Exports	28	23	24
Industrial Dom. Cons.	885	825	900
Food Use Dom. Cons.	20,936	20,615	22,170
Feed Waste Dom. Cons.	0	0	0
Total Dom. Cons.	21,821	21,440	23,070
Ending Stocks	1,393	1,826	1,758
Total Distribution	23,242	23,289	24,852

Production

Domestic vegetable (edible) oil production is expected to rise 3.5 percent to 8 MMT in MY 2020/21 on net rise in availability of oilseeds for 'crush-to-oil'. The forecast includes 2.8 MMT of rapeseed oil, 1.5 MMT soybean oil, 1.5MMT of peanut oil, 1.3 MMT of cottonseed oil, 680,000 metric tons (MT) of coconut oil, 265,000 MT

of palm oil and 65,000 metric tons (MT) of sunflower oil.

Consumption

Vegetable oil consumption in out-year will rise eight percent to 23 MMT due to anticipated recovery in demand, particularly from bulk buyers, which includes hotels, restaurants, food business operators, institutions, and catering services. Household consumption demand (in consumer packs) will remain strong but consumers (mostly urban) will gravitate towards packaged and branded edible oils due to increased awareness of health and safety concerns amid COVID.

Based on nutritional quality and industrial functionality, industrial users in particular find wider application of vegetable oil for food (bakery, culinary foods, confectionary, ready-to-eat food, margarines, breakfast cereals to name a few) and non-food use (shampoos, lipsticks, candles, detergents, chocolates and ice creams).

Almost 65 percent of total consumption demand (food and industrial use) is met through imports (56 percent palm and 44 percent soft oils). Considering total domestic consumption to include imported and locally produced oils, the respective shares of palm, soybean, sunflower oil, rapeseed-mustard oil, and peanut oil are: 38 percent, 22 percent, 13 percent, 13 percent, and seven percent, respectively. India's per capita consumption is currently estimated at 16 kg for MY 2019/20.

As the country eases some of the measures used to slow the spread of COVID 19, consumers likely have heightened awareness on health, wellness, food safety and hygiene values. Since cooking oils have almost 99 percent market penetration in Indian households, they are potent vehicles for blending (*for optimal nutrition*) and fortification (*since vitamins A and D are fat-soluble vitamins, fortification of edible oils and fats with vitamin A and D is a good strategy to address micronutrient malnutrition*). According to media reports, there is also growing awareness among consumers about adulterants found mostly in unbranded edible oil which sell at discount to edible oils sold in consumer packs.

Trade

At an eight percent annual growth rate, edible oil consumption is growing faster than the three percent growth rate in production: imports are rising to fill the gap. As a result, India still is the largest importer of edible oils followed by China, European Union, and United States. Edible oil imports in MY 2020/21 is forecast to rise six percent to 15 MMT, of which 8.5 MMT will be palm oil followed by 3.5 MMT of soybean and 2.8 MMT of sunflower seed oil and 0.2 MMT of rapeseed (canola) oil.

In the first eight months of the current marketing year (Table 22), vegetable oil imports fell eight percent to 8.2 MMT. Based on the current trend, India is likely to import an additional 6 MMT through September 2020, thereby lifting total imports in MY 2019/20 to 14.1 MMT, which is close to last year's level. Both soybean and rapeseed oil imports have risen by 14 and 10 percent respectively due to restriction on import of palm oil, particularly the RBD palm which has been kept on the restricted list since January 8, 2020 ([DGFT notification 39/2015-2020](#)).

Overall imports, particularly from March through May 2020, were significantly down due to lower than anticipated demand from HORECA sector during the national lockdown. India imports palm oil mainly from

Indonesia and Malaysia, and a small quantity of crude soft oil, including soybean oil, from Argentina. Sunflower oil is imported from Ukraine and Russia.

Table 22. India: Edible Oil Imports, In Thousand Metric Tons

	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Oct 19 - May-20	Oct 18- May-19	% Change
RBD palm-olein	118	122	95	50	34	31	30	16	496	1,707	71
Crude palm oil	648	540	632	529	488	304	356	371	3,869	3,752	3
Crude palm olein	0	0	0	0	0	0	0	0	0	0	0
Crude Palm kernel oil	12	6	15	16	18	0	0	0	67	89	25
Total palm oil	779	668	741	595	540	335	385	387	4,431	5,549	20
Crude soybean oil	394	165	168	261	322	292	184	187	1,973	1,733	14
Refined soybean oil	0	0	0	0	0	0	0	0	0	0	0
Total soy oil (crude)	394	165	168	261	322	292	184	187	1,973	1,733	14
Crude sun oil	159	263	188	302	227	297	221	133	1,790	1,630	10
Refined sun oil	0	0	0	0	0	0	0	0	0	0	0
Total sun oil (crude)	159	263	188	302	227	297	221	133	1,790	1,630	10
Canola Rape oil	0	0	0	0	0	17	0	0	17	44	62
Cottonseed Oil	0	0	0	0	0	0	0	0	0	0	0
Safflower oil	0	0	0	0	0	0	0	0	0	0	Nil
Coconut oil	0	0	0	0	0	0	0	0	0	0	Nil
Grand Total	1,332	1,096	1,097	1,157	1,090	941	790	707	8,212	8,956	8

Source: Solvent Extractors' Association of India

Policy Developments:

Under the **India-Mercosur Preferential Trade Agreement (PTA)**, a tariff-rate quota (TRQ) of 30,000 MT for crude soy oil (HS Code 1507 1000) at 10 percent import duty from Paraguay is in place per DGFT Public Notice No. 26/2015-2020 dated August 19, 2019.

Import duty (updated)

The basic Customs Duty (BCD) on crude soybean oil, sunflower seed oil, cottonseed oil, rapeseed or colza oil, coconut or copra oil is 35 percent. After adding social welfare surcharge (SWS) of 10 percent on BCD and Integrated Goods and Service Tax (IGST) of five percent, total duty (*ad valorem*) is 45.4 percent. The import duty is applied to the current tariff value rather than to the actual invoice value (Table 23 below).

Refined edible oils (of soybean, sunflower, cottonseed, rapeseed, copra) attract a 45 percent BCD and total duty is 56.9 percent (includes 10 percent SWS and five percent IGST).

Crude palm oil and crude palmolein attract a 44 percent BCD and total duty calculation comes to 55.8 percent. Likewise, RBD palm/palmolein attract BCD of 54 percent and total duty is 67.4 percent (includes 10 percent SWS and five percent IGST).

Tariff Rate Quota (TRQ)

Based on the Customs Notification No 28/2020 dated June 23, 2020 the TRQ on refined rape, colza, or mustard

oil is 150,000 tons in a financial year, at an in-quota tariff rate of 45 percent. The TRQ on crude sunflower seed oil and safflower seed oil is also 150,000 tons in a financial year, with an in-quota tariff rate of 50 percent. This notification applies to imports from designated public sector companies and State Cooperative Marketing and do not apply to commercial import of crude edible oils at 35 percent (basic) import duty.

GE Product

The only GE food products currently authorized for import into India are soybean oil derived from GE soybeans (glyphosate tolerant and five other events) and canola oil derived from a GE canola (a select herbicide tolerant event). Imports of other GE crops (seed, feed and human food use), and processed products derived from GE plant crops are effectively banned (More information is available on [GAIN report No. IN2019-0109](#)).

Table 23. India: Vegetable Oil Reference Price as on May 15, 2019

Vegetable Oils	U.S. \$/Metric Ton
Crude Palm Oil	546
RBD Palm Oil	556
Other-Palm Oil	551
Crude Palmolein	561
RBD Palmolein	564
Other-Palmolein	563
Crude Soybean Oil	636

Note: Tariff values are revised from time to time by the GOI to reflect changes in international prices. Source: <http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-nt2013/csnt30-2013.htm>

Stocks:

The edible oil end stock for forecast year is 1.7 MMT, which is 11 percent below the monthly requirement estimated at 1.9 MMT. Tight stocks will continue to support growing demand for imported oil to fill the consumption gap. Static imports and slowing consumption will leave 1.8 MMT as end stocks for the year ending September 2020.

Table 24. India: Commodity, Oil, Soybean, PSD						
(Unit in 1000 metric tons and Extraction rate in Percent)						
Oil, Soybean Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	9600	9100	8300	7300	9400	8400

Extr. Rate, 999.9999 (PERCENT)	0.1802	0.18	0.1801	0.18	0.18	0.18
Beginning Stocks (1000 MT)	170	170	142	65	122	319
Production (1000 MT)	1730	1638	1495	1314	1692	1512
MY Imports (1000 MT)	3000	2965	3200	3700	3236	3500
Total Supply (1000 MT)	4900	4773	4837	5079	5050	5331
MY Exports (1000 MT)	8	8	8	10	8	10
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	4750	4700	4707	4750	4900	5000
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	4750	4700	4707	4750	4900	5000
Ending Stocks (1000 MT)	142	65	122	319	142	321
Total Distribution (1000 MT)	4900	4773	4837	5079	5050	5331

**Table 25. India: Commodity, Oil, Rapeseed, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)**

Oil, Rapeseed Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush (1000 MT)	6900	6800	7000	6600	6800	6700
Extr. Rate, 999.9999 (PERCENT)	0.38	0.38	0.38	0.41	0.38	0.4104
Beginning Stocks (1000 MT)	268	268	218	128	210	141
Production (1000 MT)	2622	2584	2660	2706	2584	2750
MY Imports (1000 MT)	62	60	40	40	58	200
Total Supply (1000 MT)	2952	2912	2918	2874	2852	3091
MY Exports (1000 MT)	4	4	3	3	3	4
Industrial Dom. Cons. (1000 MT)	80	80	75	80	80	80
Food Use Dom. Cons. (1000 MT)	2650	2700	2630	2650	2650	2800
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	2730	2780	2705	2730	2730	2880
Ending Stocks (1000 MT)	218	128	210	141	119	207
Total Distribution (1000 MT)	2952	2912	2918	2874	2852	3091

**Table 26. India: Commodity, Oil, Peanut, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)**

Oil, Peanut Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush (1000 MT)	3300	3000	3450	4000	3350	4400
Extr. Rate, 999.9999 (PERCENT)	0.3303	0.34	0.3301	0.34	0.3301	0.34
Beginning Stocks (1000 MT)	385	385	316	386	245	526

Production (1000 MT)	1090	1020	1139	1360	1106	1496
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1475	1405	1455	1746	1351	2022
MY Exports (1000 MT)	9	9	40	10	40	10
Industrial Dom. Cons. (1000 MT)	10	10	10	10	10	10
Food Use Dom. Cons. (1000 MT)	1140	1000	1160	1200	1152	1500
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1150	1010	1170	1210	1162	1510
Ending Stocks (1000 MT)	316	386	245	526	149	502
Total Distribution (1000 MT)	1475	1405	1455	1746	1351	2022

Table 27. India: Commodity, Oil, Cottonseed, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)

Oil, Cottonseed Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush (1000 MT)	8500	8100	9650	9300	9650	8800
Extr. Rate, 999.9999 (PERCENT)	0.1441	0.1432	0.144	0.143	0.144	0.1432
Beginning Stocks (1000 MT)	21	21	19	0	26	0
Production (1000 MT)	1225	1160	1390	1330	1390	1260
MY Imports (1000 MT)	0	0	2	0	0	0
Total Supply (1000 MT)	1246	1181	1411	1330	1416	1260
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	45	45	45	45	45	40
Food Use Dom. Cons. (1000 MT)	1182	1136	1340	1285	1350	1220
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1227	1181	1385	1330	1395	1260
Ending Stocks (1000 MT)	19	0	26	0	21	0
Total Distribution (1000 MT)	1246	1181	1411	1330	1416	1260

Table 28. India: Commodity, Oil, Coconut, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)

Oil, Coconut Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush (1000 MT)	748	979	748	1139	748	1076
Extr. Rate, 999.9999 (PERCENT)	0.6337	0.6302	0.6337	0.6295	0.6337	0.6301
Beginning Stocks (1000 MT)	21	21	21	31	21	118
Production (1000 MT)	474	617	474	717	474	678
MY Imports (1000 MT)	3	0	3	0	3	0

Total Supply (1000 MT)	498	638	498	748	498	796
MY Exports (1000 MT)	7	7	7	0	7	0
Industrial Dom. Cons. (1000 MT)	195	200	195	200	195	220
Food Use Dom. Cons. (1000 MT)	275	400	275	430	275	450
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	470	600	470	630	470	670
Ending Stocks (1000 MT)	21	31	21	118	21	126
Total Distribution (1000 MT)	498	638	498	748	498	796

**Table 29. India: Commodity, Oil, Palm, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)**

Oil, Palm Market Year Begins	2018/2019		2019/2020		2020/2021	
	Oct 2018		Oct 2019		Oct 2020	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	315	0	320	0	320
Area Harvested (1000 HA)	80	0	80	0	80	80
Trees (1000 TREES)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	228	228	333	309	223	279
Production (1000 MT)	200	250	200	260	200	265
MY Imports (1000 MT)	9710	8781	9000	7700	9200	8500
Total Supply (1000 MT)	10138	9259	9533	8269	9623	9044
MY Exports (1000 MT)	0	0	0	0	0	0
Industrial Dom. Cons. (1000 MT)	605	550	560	490	580	550
Food Use Dom. Cons. (1000 MT)	9200	8400	8750	7500	8850	8200
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	9805	8950	9310	7990	9430	8750
Ending Stocks (1000 MT)	333	309	223	279	193	294
Total Distribution (1000 MT)	10138	9259	9533	8269	9623	9044
Yield (MT/HA)	2.5	0	2.5	0	2.5	3.3125

Attachments:

No Attachments