



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 3/31/2003

GAIN Report #IN3026

India

Oilseeds and Products

April Update

2003

Approved by:

Chad R. Russell

U.S. Embassy, New Delhi

Prepared by:

V. Shunmugam

Report Highlights:

Post reduces its MY 2002 edible oil import estimate to 4.8 million tons due to firm international prices. Strong and steady export demand for rapeseed meal is forecast to result in high oil meal exports by India during MY 2002, estimated at 2.0 million tons.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], IN

Table of Contents

Post's MY 2002 edible oil import estimate lowered	Page 2 of 6
Table 1: Edible Oil Arrivals - MY 2001 Vs MY 2002 (Oct - Feb)	Page 2 of 6
MY 2002 Oilmeal shipments estimate revised up	Page 2 of 6
Table 2: Oil Meal Shipments - MY 2001 Vs MY 2002 (Oct - Feb)	Page 3 of 6
Edible Oil prices climb following domestic shortages and firm international markets	Page 3 of 6
Table 3: Domestic Edible Oil Prices (Wholesale price - \$/ton)	Page 3 of 6
Table 4: Commodity, Rapeseed Meal, PSD	Page 4 of 6
Table 5: Commodity, Oil Palm, PSD	Page 5 of 6
Table 6: Commodity, Soybean Oil, PSD	Page 6 of 6

Post's MY 2002 edible oil import estimate lowered

Considering the present trend in imports of edible oils and the forecast for firm international prices, imports of edible oils during MY 2002 are estimated at 4.8 million tons compared with post's earlier estimate of 5.0 million tons (IN3008), despite the sharp decline in edible oil production in India.

Trends during the same period indicate that imports of palm oil will continue to dominate total imports, constituting about 78 percent, with soybean oil constituting about 21 percent of the total. Soy oil imports are likely to decline by 26 percent, estimated at 1.1 million tons during MY 2002 due to the increased price premium over palm oil, and higher risk premiums on soy oil consignments (crossing Arabian sea and/or Suez canal) vis-a-vis palm products. MY 2002 imports of palm and palm products are likely to surge by 29 percent to touch 3.6 million tons. MY 2002 sunflower oil and rapeseed/canola oil imports are likely to remain barely visible at 25,000 tons each.

Table 1: Edible Oil Arrivals - MY 2001 Vs MY 2002 (Oct - Feb)

Type of Edible Oil	2001-02 (Metric Tons)	2002-03 (Metric Tons)	Percent Change
Palm and Products	1,039,880	1,184,604	13.9
Soybean Oil	306,031	316,629	3.5
Sunflower Oil	13,819	7,500	- 45.7
Rapeseed/Mustard Oil	3,500	5,540	58.3
Cottonseed Oil	3,300	0	-100.0
Coconut Oil	0	3,400	N/A
Total	1,366,530	1,517,673	11.1

MY 2002 Oilmeal shipments estimate revised up

Post raises its MY 2002 estimate for oil meal exports to 2.0 million tons, compared with post's earlier estimate of 1.8 million tons following strong and sustained growth in rapeseed meal exports (estimated to touch 400,000 tons), despite stagnant rapeseed production in the country over the last three years. Post's estimate for MY 2002 soybean meal exports remains unchanged at 1.55 million tons. Soybean meal exports during the first five months of MY 2002 is calculated to be lower by 24 percent at 976,275 tons compared with MY 2001. However, rapeseed meal exports increased by 52 percent during the same period to 186,675 tons, due to strong demand from south east Asian markets and shortages in the international markets. Exports of peanut meal during MY 2002 (Oct-Feb) declined to a paltry 700 tons versus 59,676 tons a year ago due to a strong domestic demand from the poultry feed industry.

Table 2: Oil Meal Shipments - MY 2001 Vs MY 2002 (Oct - Feb)

Type of Oil Meal	MY 2001 (metric tons)	MY 2002 (metric tons)	Percent Change
Soybean Meal	1,282,030	976,275	-23.8
Rapeseed Meal	122,810	186,675	52.0
Peanut Meal	59,676	700	-98.8
Total	1,463,516	1,163,650	- 20.5

Edible Oil prices climb following domestic shortages and firm international markets

Due to the shortfall in domestic edible oil production and the firm global edible oil markets, prevailing edible oil prices in India were higher by 22 to 105 percent, compared with the prices from the previous year. The smallest increase in prices was for sunflowerseed oil, which went up by 22 percent above the last year's levels, as increased sunflower seed production, complemented by falling domestic preferences for sunflower oil in the major consuming markets, prevented prices from rising further. In response to a constant supply shortage of rapeseed oil over the last three years, prices of mustard/rapeseed oil increased by a whopping 105 percent over the last year's levels. Peanut and soybean oil prices went up by about 45 percent and 60 percent, respectively, in response to production shortfalls experienced during MY 2002. In addition to the shortfall in domestic production and firm international markets, the recent government policy of levying an excise tariff of 8 percent on the branded and packaged edible oils starting from March, 2003, also partially contributed to the flare up. Unless there is government intervention, edible oil prices are likely to strengthen further due to firm world markets and the lean supply season during July - Sept.

Table 3: Domestic Edible Oil Prices (Wholesale price - \$/ton)

Type of Edible Oil	Current Price - Mar. 24 th , 2003	March, 2002 Avg. Price	Percent Increase Over Prev. Year
Soybean Oil	926	579	59.9
Peanut Oil	1200	827	45.1
Rapeseed/Mustard Oil	943	460	105.0
Sunflower Oil	945	776	21.8

Table 4: Commodity, Rapeseed Meal, PSD

PSD Table							
Country:							
Commodity:							
		2000		2001		2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/2000		10/2001		10/2002	(MONTH/YEAR)
Crush	3740	3740	4200	4200	3650	3650	(1000 MT)
Extr. Rate	0.6617647	0.6617647	0.6607143	0.6607143	0.6575342	0.6575342	
Beginning Stocks	0	0	0	0	0	0	(1000 MT)
Production	2475	2475	2775	2775	2400	2400	(1000 MT)
MY Imports	0	0	0	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	2475	2475	2775	2775	2400	2400	(1000 MT)
MY Exports	139	139	425	421	100	400	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Consum.	2336	2336	2350	2354	2300	2000	(1000 MT)
Total Dom. Consumption	2336	2336	2350	2354	2300	2000	(1000 MT)
Ending Stocks	0	0	0	0	0	0	(1000 MT)
TOTAL DISTRIBUTION	2475	2475	2775	2775	2400	2400	(1000 MT)
Calendar Year Imports	0	0	0	0	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	139	139	425	421	200	400	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 5: Commodity, Oil Palm, PSD

PSD Table							
Country:	India						
Commodity:	Oil, Palm						
		2000		2001		2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/2000		10/2001		10/2002	(MONTH/YEAR)
Area Planted	40	40	35	35	35	35	(1000 HA)
Area Harvested	35	35	30	30	30	30	(1000 HA)
Trees	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	500	500	557	557	185	185	(1000 MT)
Production	40	40	35	35	35	35	(1000 MT)
MY Imports	3217	3217	2793	2793	3500	3600	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	3757	3757	3385	3385	3720	3820	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum.	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	3200	3200	3200	3200	3600	3700	(1000 MT)
Feed Seed Waste Dm.Cn.	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	3200	3200	3200	3200	3600	3700	(1000 MT)
Ending Stocks	557	557	185	185	120	120	(1000 MT)
TOTAL DISTRIBUTION	3757	3757	3385	3385	3720	3820	(1000 MT)
Calendar Year Imports	3217	3217	2650	2650	3000	3000	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Table 6: Commodity, Soybean Oil, PSD

PSD Table						
Country:						

Commodity:							
		2000		2001		2002	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		10/2000		10/2001		10/2002	(MONTH/YEAR)
Crush	4465	4465	4500	4500	3600	3600	(1000 MT)
Extr. Rate	0.1780515	0.1780515	0.1777778	0.1777778	0.1736111	0.1736111	
Beginning Stocks	0	0	0	0	93	93	(1000 MT)
Production	795	795	800	800	625	625	(1000 MT)
MY Imports	1340	1340	1493	1493	1500	1100	(1000 MT)
MY Imp. from U.S.	29	29	100	100	125	75	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	2135	2135	2293	2293	2218	1818	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Consump.	2135	2135	2200	2200	2218	1818	(1000 MT)
Feed Waste Dom.Consum.	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	2135	2135	2200	2200	2218	1818	(1000 MT)
Ending Stocks	0	0	93	93	0	0	(1000 MT)
TOTAL DISTRIBUTION	2135	2135	2293	2293	2218	1818	(1000 MT)
Calendar Year Imports	1340	1340	1450	1450	1600	1050	(1000 MT)
Calendar Yr Imp. U.S.	29	29	100	100	125	75	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)