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India

Oilseeds and Products Update

2015

Approved By:
Jonn Slette
Prepared By:
Amit Aradhey

Report Highlights:
Post revises down its marketing year (MY) 2015/16 (Oct-Sept) soybean production forecast from 12.5 million metric tons (MMT) to 11 MMT. Abnormal weather conditions will reduce yields and lead to an overall production decline, despite higher area planted for *kharif (*fall harvest) oilseeds. Oilmeal exports in MY 2015/16 will reach their second lowest point during the past 10 years (3.3 MMT). Softening international vegetable oil prices will continue to encourage higher imports (14.5 MMT) of both soft and palm oils, notwithstanding of India's new five percent tariff hike for edible oils.

Post:
New Delhi

Commodities:
Oilseed, Soybean
Meal, Soybean
Oil, Soybean
Oilseed, Peanut
Meal, Peanut
Oil, Peanut
Oilseed, Sunflowerseed
Meal, Sunflowerseed
Oil, Sunflowerseed
Oil, Palm

Author Defined:

Below Normal Yields Will Offset Higher Area Planted to Oilseeds

Based on a preliminary field assessment and prevailing weather conditions, Post revises downward its MY 2015/16 soybean production forecast from 12.5 MMT to 11 MMT. As well, Post expects that further downward revisions may follow in future updates due to additional-although still unquantified-crop damage. Post's planted area estimate is revised up from 11.5 million hectares to 11.6 million hectares.

The latest progressive planting report from the Ministry of Agriculture, Government of India (GOI) for crop year 2015 (July-June) states that area planted for *kharif (*fall harvest) soybeans, peanuts, and sunflower will be 15.3 million hectares, a three percent increase over the previous marketing year. Normal rainfall during peak planting through mid-July encouraged farmers to plant additional oilseed hectares, particularly soybean. Soybean planting in Madhya Pradesh, which accounts for about 54 percent of India's total soybean production, grew 6.5 percent over last year. Maharashtra, which accounts for32 percent of India's total soybean production, stood close to last year's level, while Rajasthan (eight percent of total production) experienced a 35-percent increase over last year.

August and September saw deficit and uneven rainfall distribution in most production areas. Except for short-duration varieties, most soybeans were flowered and formed pods during these months and consequently, yields were adversely affected. Abnormal weather conditions in some growing areas also led to greater instances of pests, diseases, and weeds. Post contacts speculate that three to four percent of India's soybean area could be negatively affected, although these figures have not been officially quantified.

The cumulative rainfall deficit, which hovered at around three percent by end of July, increased to 16 percent through mid-September. During the third week of September, precipitation occurred in many of India's production areas, but the soybean crop was in advanced stages of maturity and did not benefit much from the untimely rainfall. Moreover, the late rains could delay the harvest in several few places and decrease the productive recovery of the beans. Nonetheless, the accumulated soil moisture should support planting of winter crops such as wheat, pulses, and other oilseeds.

Concurrently, peanut area and production for MY 2015/16 is also revised lower to 4.6 million hectares and 5.6 MMT, respectively. This revision reflects lower-than-anticipated peanut planting during the 2015 *kharif* season. The latest planting report estimates *kharif* peanut acreage at 3.6 million hectares, down three percent from last season. Higher planting in Gujarat, Maharashtra, Tamil Nadu, and Rajasthan was offset by lower planting in Andhra Pradesh and Karnataka. Gujarat contributes almost 40 of total *kharif* peanut production. The summer planting is assumed to be normal.

Similarly, total sunflower area and production for MY 2015/16 is also revised down to 580,000 hectares and 530,000 metric tons, respectively. The preceding forecast assumes normal growing conditions during the 2015 *rabi* (winter sown) season. The latest planting report indicate that *kharif* sunflower planted on 115,000 hectares compared to 171,000 hectares planted during corresponding period last year.

Softening International Prices Encouraging Vegetable Oil Imports

The MY 2015/16 vegetable oil imports are revised from an earlier estimate of 12.9 MMT to 14.5 MMT to indicate higher imports of both soft and palm oils. India's growing population, rising income levels, lower-than-anticipated oilseed production in MY 2015/16, and narrowing price premium for soft oils will support higher imports, which are forecast to rise six percent over MY 2014/15.

Recent import trends indicate that India will import upwards of 13.8 MMT of vegetable oils through MY 2014/15. Post's previous estimate was 12.7 MMT. According to the Solvent Extractors' Association (SEA) of India, July imports of edible oil reached 1.5 MMT, the highest level of any single month in the past two decades. Lower international prices are encouraging higher imports despite weaker domestic currency. The Indian currency depreciated by more than seven percent since October 2014. On September 17, 2015, GOI raised the import duty on both crude and refined edible oils by five percent to current 12.5 percent and 20 percent, respectively. The GOI raised the duty in an effort to protect Indian farmers and vegetable oil refiners from cheaper imports.

Indian Oilmeal Exports Lowest In Decades

MY 2015/16 oilmeal exports (which exclude rice bran and castor meal) are revised lower to 3.3 MMT, to reflect latest estimates. Sluggish international demand for Indian soymeal is likely to cap total oilmeal sales. The oilmeal export basket for MY 2015/16 will include 2.2 MMT of soymeal and 1.1 MMT of rapeseed meal. Likewise, oilmeal exports in MY 2014/15 are also revised lower to 1.9 MMT. Until last month, Indian oilmeal exports were down 54 percent to 1.8 MMT (Table 2). Indian soymeal prices are not particularly in international market and therefore traditional buyers have opted for cheaper supplies from other prominent sources. Soymeal exports normally account for 70 percent of total oilmeal exports. Further, the capacity utilization for oilseed millers is at the lowest and many plants have closed down due to disparity in crushing beans to meal and oil (per SEA).

Table 1. India: Vegetable Oil Imports, 1000 Metric Tons

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	**Oct 14-Jul-15**	Oct 13 - Jul-14	% Change
RBD palm-olein	143	56	45	70	81	52	188	275	148	185	0	0	1,242	1,355	8
Crude palm oil	712	713	779	581	423	616	531	624	571	766	0	0	6,317	4,912	29
Crude palm olein	0	779	0	0	0	0	0	0	0	0	0	0	0	0	
Crude Palm kernel oil	10	581	13	8	6	14	7	8	15	25	0	0	134	104	28
Total palm oil	**866**	**797**	**836**	**659**	**510**	**682**	**725**	**907**	**734**	**976**	**0**	**0**	**7,692**	6,371	**21**
Crude soybean oil	219	121	97	224	240	191	187	289	154	349	0	0	2,072	1,318	57
Refined soybean oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total soy oil	**219**	**121**	**97**	**224**	**240**	**191**	**187**	**289**	**154**	**349**	**0**	**0**	**2,072**	1,318	**57**
Crude sun oil	101	194	152	156	63	161	152	153	105	122	0	0	1,360	1,255	8
Refined sun oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total sun oil	**101**	**194**	**152**	**156**	**63**	**161**	**152**	**153**	**105**	**122**	**0**	**0**	**1,360**	1,255	**8**
Canola Rape oil	45	37	36	44	32	18	34	9	20	31	0	0	307	108	184
Cottonseed Oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saflower oil	0	0	0	0	0	0	0	0	0	0	0	0	0	1	100
Coconut oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grand Total	1,230	1,149	1,122	1,083	845	1,053	1,098	1,359	1,014	1,479	**0**	**0**	**11,431**	9,053	26

Source: Solvent Extractors Association of India

Table 2. India: Oilmeal Exports, Metric Tons

	Soybean meal	**Rapeseed meal**	**Peanut meal**	**Sunflower meal**	**Total**
Oct-14	29,071	140,393	263	0	169,727
Nov-14	110,806	39,133	788	0	150,727
Dec-14	193,832	129,707	665	0	324,204
Jan-15	104,426	44,361	512	0	149,299
Feb-15	64,514	62,545	63	0	127,122
Mar-15	45,917	64,668	0	0	110,585
Apr-15	18,017	69,398	250	0	87,665
May-15	14,046	35,188	0	0	49,234
Jun-15	2,098	56,139	0	0	58,237
Jul-15	928	8,645	150	0	9,723
Aug-15	768	49,788	0	0	50,556
Surface Transport	550,000	70,000			620,000
Oct 14-Jul-15	1,134,423	699,965	2,691	0	1,837,079
Oct 13-Jul-14	2,768,663	1,182,167	1,475	0	3,952,305
% Change	-59	-41	82	-	-54

Source: Solvent Extractors' Association (SEA) of India
Note: The soymeal and rapeseed shipment include surface transport (data until July only) to neighbors

Production, Supply and Demand Data Statistics:

Table 3. India: Commodity, Oilseed, Soybean, PSD

Oilseed, Soybean India	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	12,200	12,200	11,000	10,908		11,610
Area Harvested	12,200	12,000	11,000	10,908		11,610
Beginning Stocks	1,135	302	606	169		639
Production	9,500	9,500	10,500	9,800		11,000
MY Imports	4	0	2	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	10,639	9,802	11,108	9,969		11,639
MY Exports	183	183	250	200		200
MY Exp. to EU	21	0	18	20		25
Crush	8,300	7,600	7,600	7,200		8,800
Food Use Dom. Cons.	550	650	650	630		700
Feed Waste Dom. Cons.	1,000	1,200	1,400	1,300		1,200
Total Dom. Cons.	9,850	9,450	9,650	9,130		10,700
Ending Stocks	606	169	1,208	639		739
Total Distribution	10,639	9,802	11,108	9,969		11,639
CY Imports	5	0	0	0		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	200	10	200	200		200
CY Exp. to U.S.	127	0	130	140		0

Table 4. India: Commodity, Meal, Soybean, PSD

Meal, Soybean India	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	8,300	7,600	7,600	7,200		8,800
Extr. Rate, 999.9999	0.8000	0.8	0.8000	0.8		0.8160
Beginning Stocks	347	580	202	235		495
Production	6,640	6,080	6,080	5,760		7,181
MY Imports	7	0	7	0		0

MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	6,994	6,660	6,289	5,995		7,676
MY Exports	2,742	2,825	1,650	1,200		2,200
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	200	400	260	500		550
Feed Waste Dom. Cons.	3,850	3,200	4,030	3,800		4,400
Total Dom. Cons.	4,050	3,600	4,290	4,300		4,950
Ending Stocks	202	235	349	495		526
Total Distribution	6,994	6,660	6,289	5,995		7,676
CY Imports	7	0	7	0		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	2,950	3,800	3,000	3,800		0
CY Exp. to U.S.	0	0	0	0	0	0
SME	4,050	3,600	4,290	4,300	4,365	4,950

Table 5. India: Commodity, Oil, Soybean, PSD

Oil, Soybean India	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	8,300	7,600	7,600	7,200		8,800
Extr. Rate, 999.9999	0.1781	0.1761	0.1776	0.176		0.1761
Beginning Stocks	248	521	255	488		655
Production	1,478	1,338	1,350	1,267		1,550
MY Imports	1,830	1,830	2,000	2,600		2,800
MY Imp. from U.S.	0	0	2	2		0
MY Imp. from EU	0	0	0	0		0
Total Supply	3,556	3,689	3,605	4,355		5,005
MY Exports	1	1	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	3,300	3,200	3,400	3,700		4,300

Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	3,300	3,200	3,400	3,700		4,300
Ending Stocks	255	488	205	655		705
Total Distribution	3,556	3,689	3,605	4,355		5,005
CY Imports	1,600	1,000	2,000	1,100		0
CY Imp. from U.S.	0	15	0	15		0
CY Exports	1	0	0	0		0
CY Exp. to U.S.	0	0	0	0		0

Table 6. India: Commodity, Oilseed, Peanut, PSD

Oilseed, Peanut India	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	5400	5400	4600	4560		4600
Area Harvested	5400	5400	4600	4560		4600
Beginning Stocks	20	162	141	213		289
Production	5650	6500	4800	5200		5600
MY Imports	1	1	1	1		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	5671	6663	4942	5414		5889
MY Exports	785	650	475	475		540
MY Exp. to EU	20	20	20	20		30
Crush	3700	3600	3500	3050		3500
Food Use Dom. Cons.	630	1600	600	1100		1200
Feed Waste Dom. Cons.	415	600	325	500		480
Total Dom. Cons.	4745	5800	4425	4650		5180
Ending Stocks	141	213	42	289		169
Total Distribution	5671	6663	4942	5414		5889
CY Imports	1	0	1	0		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	750	477	475	400		0
CY Exp. to U.S.	0	0	0	0		0

Table 7. India: Commodity, Meal, Peanut, PSD

Meal, Peanut India	2013/2014 Market Year Begin: Oct 2013		2014/2015 Market Year Begin: Oct 2014		2015/2016 Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	3700	3600	3500	3050		3500
Extr. Rate, 999.9999	0.39	0.40	0.39	0.40		0.4
Beginning Stocks	0	0	0	0		0
Production	1445	1440	1365	1220		1400
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	1,445	1,440	1,365	1,220		1400
MY Exports	10	2	5	3		4
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	5	10	5	10		10
Feed Waste Dom. Cons.	1430	1429	1355	1207		1386
Total Dom. Cons.	1435	1438.5	1360	1217		1396
Ending Stocks	0	0	0	0		0
Total Distribution	1445	1440	1365	1220		1400
CY Imports	0	0	0	0		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	10	2	10	3		0
CY Exp. to U.S.	0	0	0	0		0
SME	1612.94	1,481	1,613	2,066		1256.632

Table 8: Commodity, Oil, Peanut, PSD

Oil, Peanut India	2013/2014 Market Year Begin: Oct 2013		2014/2015 Market Year Begin: Oct 2014		2015/2016 Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	3700	3600	3500	3050		3500
Extr. Rate,	0.33	0.34	0.33	0.34		0.34

999.9999						
Beginning Stocks	10	139	11	383		153
Production	1220	1224	1150	1037		1190
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	1230	1363	1161	1420		1343
MY Exports	4	5	5	5		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	10	15	10	15		15
Food Use Dom. Cons.	1205	960	1135	1247		1230
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	1215	975	1145	1262		1245
Ending Stocks	11	383	11	153		98
Total Distribution	1230	1363	1161	1420		1343
CY Imports	0	0	0	0		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	4	0	0	0		0
CY Exp. to U.S.	0	0	0	0		0

Table 9. India: Commodity, Oilseed, Sunflower seed PSD

Oilseed, Sunflower seed India	**2013/2014**		**2014/2015**		**2015/2016**	
	Market Year Begin: Oct 2013		**Market Year Begin: Oct 2014**		**Market Year Begin: Oct 2015**	
	USDA Official	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	850	685	550	525		580
Area Harvested	755	680	550	525		580
Beginning Stocks	0	0	0	0		0
Production	725	600	500	435		530
MY Imports	0	0	0	0		0
MY Imp. from U.S.	0	0	0	0		0

MY Imp. from EU	0	0	0	0		0
Total Supply	725	600	500	435		530
MY Exports	0	0	4	0		0
MY Exp. to EU	0	0	0	0		0
Crush	625	520	460	380		465
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	100	80	36	55		65
Total Dom. Cons.	725	600	496	435		530
Ending Stocks	0	0	0	0		0
Total Distribution	725	600	500	435		530
CY Imports	0	0	0	0		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	0	0	4	0		0
CY Exp. to U.S.	0	0	0	0		0

Table 10. India: Commodity, Meal, Sunflower seed, PSD

Meal, Sunflower seed India	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	585	520	460	380		465
Extr. Rate, 999.9999	0.479	0.481	0.478	0.479		0.479
Beginning Stocks	0	0	0	0		0
Production	280	250	220	182		223
MY Imports	35	0	40	0		0
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	315	250	260	182		223
MY Exports	6	0	5	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	0	0	0	0		0
Feed Waste Dom. Cons.	309	250	255	182		223

Total Dom. Cons.	309	250	255	182		223
Ending Stocks	0	0	0	0		0
Total Distribution	315	250	260	182		223
CY Imports	27	27	30	30		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	4	0	0	0		0
CY Exp. to U.S.	0	0	0	0	0	0
SME	292	236	264	236	250	236

Table 11. India: Commodity, Oil, Sunflower, PSD

Oil, Peanut India	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	585	520	460	380		465
Extr. Rate, 999.9999	0.359	0.3615	0.3543	0.3553		0.35483871
Beginning Stocks	116	272	172	388		323
Production	210	188	163	135		165
MY Imports	1528	1528	1550	1600		1700
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	1,854	1,988	1,885	2,123		2188
MY Exports	2	0	2	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	0	0	0	0		0
Food Use Dom. Cons.	1680	1600	1775	1800		1900
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	1,680	1,600	1,775	1,800		1900
Ending Stocks	172	388	108	323		288
Total Distribution	1,854	1,988	1,885	2,123		2188
CY Imports	1,550	1,084	1,475	1,200		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	0	0	0	0	0	0

CY Exp. to U.S.	0	0	0	0	0	0

Table 12. India: Commodity, Oil, Palm, PSD

Oil, Palm India	2013/2014		2014/2015		2015/2016	
	Market Year Begin: Oct 2013		Market Year Begin: Oct 2014		Market Year Begin: Oct 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	0	0	0	0		0
Trees	0	0	0	0		0
Beginning Stocks	802	621	499	317		447
Production	50	171	50	180		200
MY Imports	7,847	7,875	8,900	9,250		9,700
MY Imp. from U.S.	0	0	0	0		0
MY Imp. from EU	0	0	0	0		0
Total Supply	8,699	8,667	9,449	9,747		10,347
MY Exports	0	0	0	0		0
MY Exp. to EU	0	0	0	0		0
Industrial Dom. Cons.	350	350	400	500		600
Food Use Dom. Cons.	7,850	8,000	8,600	8,800		9,200
Feed Waste Dom. Cons.	0	0	0	0		0
Total Dom. Cons.	8,200	8,350	9,000	9,300		9,800
Ending Stocks	499	317	449	447		547
Total Distribution	8,699	8,667	9,449	9,747		10,347
CY Imports	8,200	7,100	8,700	7,100		0
CY Imp. from U.S.	0	0	0	0		0
CY Exports	0	0	0	0		0
CY Exp. to U.S.	0	0	0	0		0