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Pakistan

Oilseeds and Products Update

Oilseeds and Products Update 2018

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Report Highlights:

Pakistan continues to increase its purchasing of soybeans and imports are expected to reach a record 2.0 million metric tons (MMT) during 2017/18 and 2.5 MMT during 2018/19. Higher imports are a reflection of a tariff structure that favors soybeans over soy meal and growing demand from Pakistan's feed sector. Soybean meal imports are down significantly from a year ago as importers continue to shift to imports of soybeans in response to a more favorable tariff treatment for beans. Imports of soybean oil are down slightly from a year ago, but palm oil imports are up and demand for vegetable oil, whether imported or from imported oilseeds, remains strong.

Post:
Islamabad

Author Defined:

Pakistan Witnesses Continuous Rise in Soybean Imports:

Pakistan's transition to a significant importer of soybeans continues in 2017/18 as demand for protein meal from Pakistan's feed sector is expected to result in imports of a record 2.0 MMT. Total oilseeds imports (in tons) are expected to exceed edible oil imports (in tons) for the first time in Pakistan's history. The introduction of a tariff structure a few years ago that favors imports of soybeans over soymeal continues to change the import mix. The development and modernization of Pakistan's poultry and dairy sectors is generating new demand for high-protein feed ingredients as inclusion of soybean meal in rations increases and overall demand rises. Exports of soybeans to Pakistan reached a record 1.3 million metric tons during the first eight months of 2017/18; out of this 801,224 MT (61 percent) were sourced from the United States. Currently, an additional 410,000 MT are booked for nearby delivery, with the expectation that a further 280,000 MT will be purchased for MY 2017/18 delivery. Imports in MY 2018/19 are expected to climb to 2.5 MMT. Soybean meal imports have dropped drastically with just 100 MT of imports thus far in 2017/18, compared to 385,000 MT during the same period a year ago.

Table 1: Oilseed Import Statistics:

(Figures in Metric Tons)

| Product | MY 2016/17 | MY 2017/18 | | | | MY 2018/19 |
|-----------------|------------------|------------------|----------------------|---------------------|----------------------|------------------|
| | | Actual Data | (First Eight Months) | (May -Sept Booking) | Further Expectations | |
| Rapeseed/Canola | 1,180,000 | 593,532 | 286,575 | 319,893 | 1,200,000 | 1,100,000 |
| Sunflower seed | 100,000 | 41,000 | - | 40,000 | 81,000 | 100,000 |
| Soybeans | 1,690,000 | 1,313,581 | 409,067 | 277,352 | 2,000,000 | 2,500,000 |
| Sub-Total | 2,970,000 | 1,948,113 | 695,642 | 637,245 | 3,281,000 | 3,700,000 |
| Total | 2,970,000 | 3,281,000 | | | | 3,700,000 |

Purchases of rapeseed and sunflower seed through the first eight months of the MY 2017/18 were 600,000 MT and 41,000 MT respectively. Imports of rapeseed and sunflower seed are on pace to reach the annual projections; both of these are mainly crushed for oil, whereas, soybeans are crushed to obtain vegetable protein. Pricing plays an important role in the decision to import these seeds, but tastes and preferences also play a role given consumer preferences for the oils that are extracted from these high-oil-content seeds. So far, oilseed imports are progressing as per expectations.

Edible Oil Imports Show Mixed Trend:

Government of Pakistan import data for the first eight months of 2017/18 indicate that imports of soybean oil decreased by 11 percent compared to a year ago; during the same period palm oil imports increased by 7 percent. Palm oil dominates the imported vegetable oil market and is commonly blended with other oils and sold as cooking oil. A significant amount of soft oil available from soybean and canola crushing will augment the overall availability of edible oil in the country. Well-to-do consumers are gradually shifting from palm based hydrogenated oils to oilseed-based soft oil. In general, all signs

point to sustained growth in demand for products within the oilseed complex.

Table 2: Soybean Oil Import Statistics

(Figures in Metric Tons)

| Months | MY 2012-13 | MY 2013-14 | My 2014-15 | My 2015-16 | My 2016-17 | My 2017-18 |
|------------------|---------------|----------------|---------------|----------------|----------------|---------------|
| Oct | 1,698 | 5,341 | 1,552 | 43,052 | 14,492 | 7,772 |
| Nov | 3,640 | 521 | 1,019 | 23,701 | 4,044 | 4,868 |
| Dec | 143 | 152 | 1,280 | 22,120 | 922 | 19,509 |
| Jan | 2,106 | 3,127 | 184 | 26,652 | 61 | 4,560 |
| Feb | 24 | 1,872 | 167 | 25,089 | 122 | 2,261 |
| Mar | 2,065 | 21,018 | 51 | 16,466 | 12,450 | 4,243 |
| Apr | 8,040 | 22,518 | 757 | 11,006 | 8,085 | 12,211 |
| May | 13,330 | 2,061 | 7,136 | 21,516 | 28,654 | 5,937 |
| Sub Total | 31,046 | 56,610 | 12,146 | 189,602 | 68,830 | 61,361 |
| June | 360 | 30,484 | 10,105 | 11,423 | 9,756 | |
| July | 9,868 | 6,025 | 11,141 | 19,570 | 55,389 | |
| Aug | 12,311 | 15,828 | 31,133 | 15,459 | 23,768 | |
| Sept | 2,181 | 11,317 | 31,240 | 20,936 | 21,937 | |
| Total | 55,766 | 120,264 | 95,765 | 256,990 | 179,180 | |

Source: Pakistan Bureau of Statistics

Table 3: Palm Oil Import Statistics

(Figures in Metric Tons)

| Months | MY 2012-13 | MY 2013-14 | My 2014-15 | My 2015-16 | My 2016-17 | My 2017-18 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Oct | 106,087 | 192,258 | 213,467 | 283,740 | 204,972 | 257,530 |
| Nov | 182,048 | 208,051 | 212,248 | 212,491 | 224,912 | 244,538 |
| Dec | 188,295 | 152,900 | 214,094 | 187,913 | 242,219 | 249,638 |
| Jan | 222,256 | 210,709 | 162,916 | 211,624 | 237,227 | 244,565 |
| Feb | 247,602 | 169,017 | 188,103 | 237,795 | 226,052 | 200,684 |
| Mar | 159,850 | 165,341 | 196,993 | 365,734 | 255,491 | 295,288 |
| Apr | 187,151 | 186,156 | 173,743 | 214,633 | 217,555 | 269,672 |
| May | 160,509 | 157,618 | 211,668 | 257,672 | 261,326 | 232,553 |
| Sub Total | 1,453,798 | 1,442,050 | 1,573,232 | 1,971,602 | 1,869,754 | 1,994,468 |
| June | 154,016 | 213,093 | 278,197 | 199,104 | 219,032 | |
| July | 220,106 | 152,358 | 160,019 | 150,726 | 244,671 | |
| Aug | 178,638 | 198,131 | 256,208 | 204,712 | 259,004 | |
| Sept | 165,372 | 226,022 | 258,250 | 187,092 | 217,422 | |
| Total | 2,171,930 | 2,231,654 | 2,525,906 | 2,713,236 | 2,890,063 | |

Source: Pakistan Bureau of Statistics