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Pakistan

Oilseeds and Products Update

Oilseeds and Products Update Pakistan

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Report Highlights:

Pakistan's soybean imports during 2016/17 reached a record 1.6 million metric tons (MMT) and are forecast at 2.0 MMT in 2017/18 based on preliminary bookings. Rapeseed imports met expectations but were up from a year ago at 1.2 MMT. Imports of edible oils are proving to be slower than forecast as higher prices curb demand and increased imports and crushing of canola and soybeans offset some of the need for edible oil imports. Imports of both palm oil are now expected lower, but Pakistan remains one of the world's largest vegetable oil importers.

Oilseed Situation Plays Out as Expected

Pakistan's transition to a significant importer of soybeans continued in 2016/17, with imports rising to a record 1.6 MMT, from zero just a few years ago. The favorable tariff structure on soybeans versus soybean meal has been instrumental in the shift, thereby increasing throughput in the domestic crushing sector. 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. MY 2017/18 soybean imports are projected at a record 2.0 MMT; booked cargoes through June 2018 currently total 1.2 MMT. Importers continue to source small quantities of soybean meal when pricing is favorable and imports remained at par with last year's level of 370,000 metric tons, the lowest level since 2010/11. Import data for other oilseeds is consistent with prior estimates.

Table 1: Oilseed Import Statistics: (Figures in Metric Tons)

Product	**MY 2015/16**	**MY 2016/17**	**MY 2017/18**	
Items	**Actual Data**	**Actual Data**	**Projections**	**Booked So Far**
Rapeseed/Canola	1,100,000	1,180,000	1,200,000	420,000
Sunflower seed	50,000	102,000	60,000	30,000
Soybeans	1,132,000	1,600,000	2,000,000	1,180,000
Total	**2,282,000**	**2,882,000**	**3,250,000**	**1,630,000**

Source: All Pakistan Solvent Extractor Association (APSEA) and FAS Islamabad

Edible Oil Imports Lower than Expected

Government of Pakistan data indicate that 2016/17 imports of palm oil and soybean oil remained slightly below expectations and did not reach a record 3.0 MMT. This decrease is mainly due to higher prices of these oils in the international market. Palm oil dominates the imported vegetable oil market and is commonly blended with other oils and sold as cooking oil. A significant amount of oil available from oilseed crushing will augment the overall availability of edible oil in the country. Pricing plays an important role in import decisions, but tastes and preferences and branding also play a role as certain brands are based on soybean or canola oil as higher-income consumers' shift from hydrogenated to softer oils

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
Oct	1,698	5,341	1,552	43,052	14,492
Nov	3,640	521	1,019	23,701	4,044
Dec	143	152	1,280	22,120	922
Jan	2,106	3,127	184	26,652	61
Feb	24	1,872	167	25,089	122
Mar	2,065	21,018	51	16,466	12,450
Apr	8,040	22,518	757	11,006	8,085
May	13,330	2,061	7,136	21,516	28,654
Sub Total	**31,046**	**56,610**	**12,146**	**189,602**	**68,830**
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**	**179,680**

Source: Pakistan Bureau of Statistics (PBS)

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
Oct	106,087	192,258	213,467	283,740	204,972
Nov	182,048	208,051	212,248	212,491	224,912
Dec	188,295	152,900	214,094	187,913	242,219
Jan	222,256	210,709	162,916	211,624	237,227
Feb	247,602	169,017	188,103	237,795	226,052
Mar	159,850	165,341	196,993	365,734	255,491
Apr	187,151	186,156	173,743	214,633	217,555
May	160,509	157,618	211,668	257,672	261,326
Sub Total	**1,453,798**	**1,442,050**	**1,573,232**	**1,971,602**	**1,869,754**
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**	**2,810,063**

Source: Pakistan Bureau of Statistics (PBS)

Table 4: Palm Oil Production, Supply and Demand Data Statistics:

Oil, Palm	2015/2016	2016/2017	2017/2018

Market Begin Year	Oct 2015		Oct 2016	Oct 2017		
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Trees	0	0	0	0	0	0
Beginning Stocks	382	382	287	287	292	292
Production	0	0	0	0	0	0
MY Imports	2720	2700	3000	2900	3100	3100
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	3102	3082	3287	3187	3392	3392
MY Exports	0	50	0	50	0	50
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	70	70	70	70	0	70
Food Use Dom. Cons.	2670	2600	2850	2700	2940	2950
Feed Waste Dom. Cons.	75	75	75	75	90	75
Total Dom. Cons.	2815	2745	2995	2845	3030	3095
Ending Stocks	287	287	292	292	362	247
Total Distribution	3102	3082	3287	3187	3392	3392
CY Imports	2900	2900	3100	3000	3200	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	0	0	0	0	0	0
(1000 HA) ,(1000 TREES) ,(1000 MT) ,(MT/HA)						

Table 5: Soybean Oil Production, Supply and Demand Data Statistics:

Oil, Soybean	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	1250	1130	1650	1600	2000	2000

Extr. Rate, 999.9999	0.176	0.177	0.1758	0.1813	0.1775	0.18
Beginning Stocks	17	17	6	12	26	22
Production	220	200	290	290	355	360
MY Imports	184	260	180	180	180	150
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	421	477	476	482	561	532
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	5	5	10	10	10	10
Food Use Dom. Cons.	410	460	440	450	510	522
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	415	465	450	380	520	532
Ending Stocks	6	12	26	22	41	0
Total Distribution	421	477	476	402	561	532
(1000 MT) ,(PERCENT)						