

Commodity Profile of Edible Oil for April - 2018

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1. Edible Oil estimates for India (marketing year- November 2017- October 2018)

(Unit: Million Tonnes)

2016-17	2017-18* Estimates		Mar,2017	Source
10.75	10.52	Production	10.52	DVVOF
14.00	15.36	Imports	5.83**	DOC
24.75	25.88	Availability	16.35	
0.65	0.63	Export and Industrial use	0.63	DVVOF
24.10	25.25	Total Available for domestic consumption	15.72	

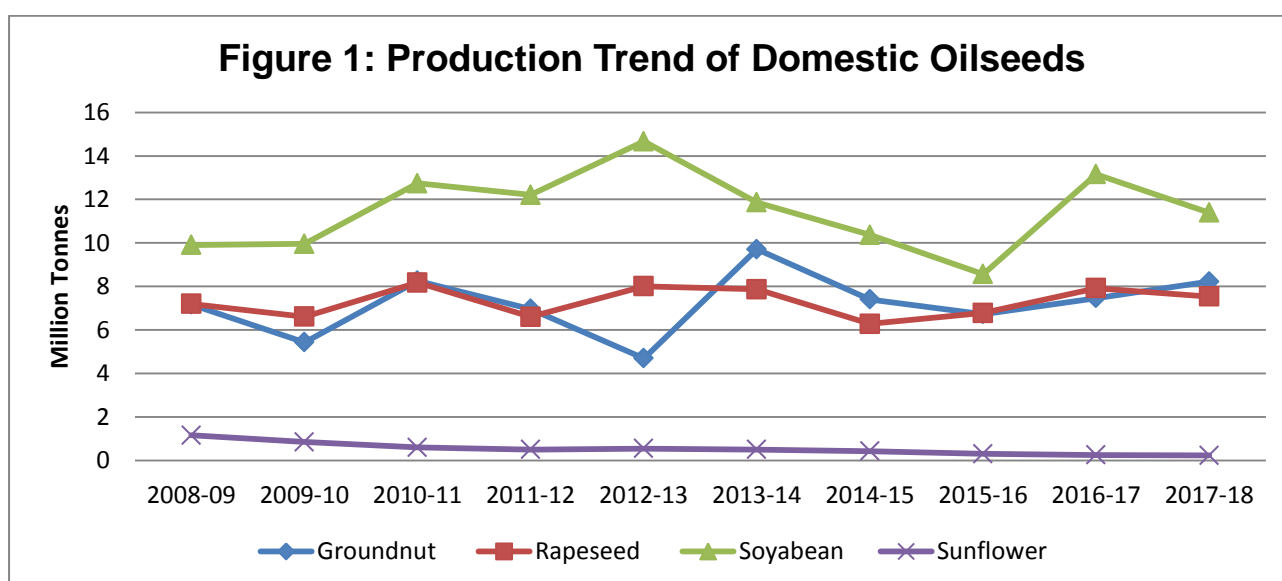
Source: Directorate of Vanaspati, Vegetable oil and Fats (DVVOF) and Department of Commerce

*For 2017-18 estimates, Production, Export Industrial use is estimates from DVVOF and Import is 3 years average from DGCI&S, Kolkata.

**Figure of import is for the period Nov-Mar, 2017-18.

Availability: Domestic production plus Imports; Total Availability for Domestic Consumption: Availability minus export and Industrial use.

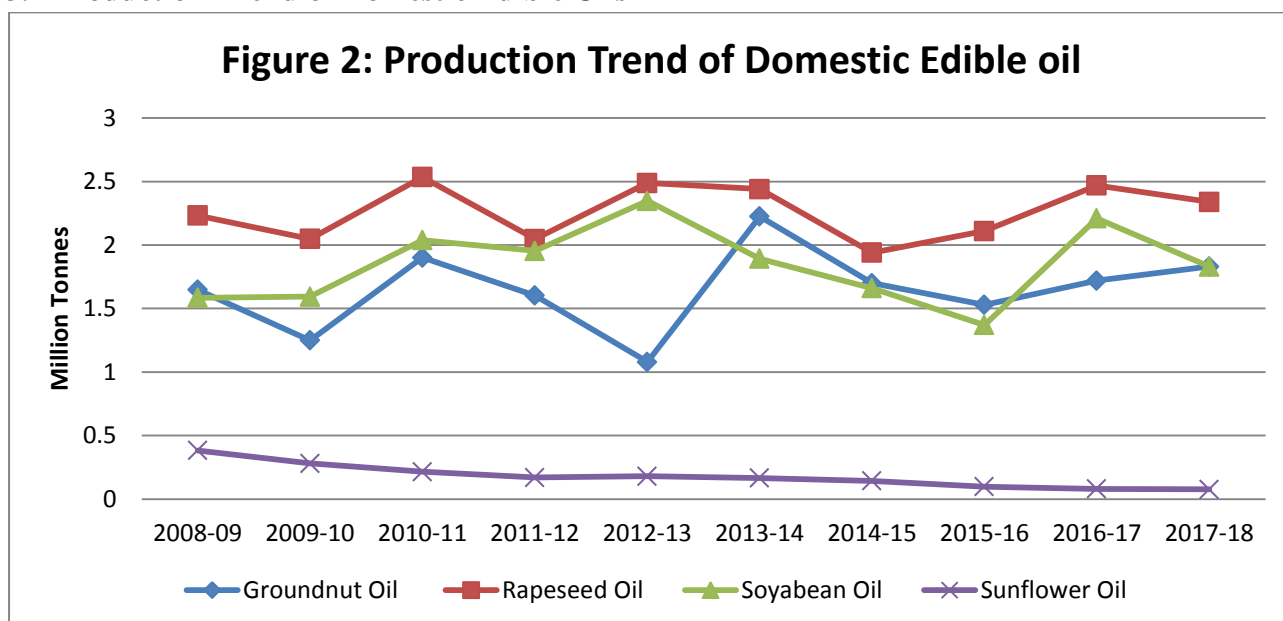
2. Production Trend of Domestic Oilseeds



Source: Directorate of Economics and Statistics

- India's Soyabean production has increased in the last 10 years at CAGR of 1.41 percent.
- Groundnut production is estimated to be 8.22 Million Tonnes in 2017-18 as compared to 7.46 Million Tonnes in 2016-17 showing a growth of around 10%.

3. Production Trend of Domestic Edible Oils



Source: Directorate of Vanaspati, Vegetable oil and Fats (DVVOF)

- Soybean oil production has increased in the last 10 years at CAGR of 1.83 percent.
- Rapeseed oil production increased is estimated to be 2.33 Million MT in 2017-18.

4. Global & Domestic Production, Exporters and Importers of Major edible oil

(Qty in

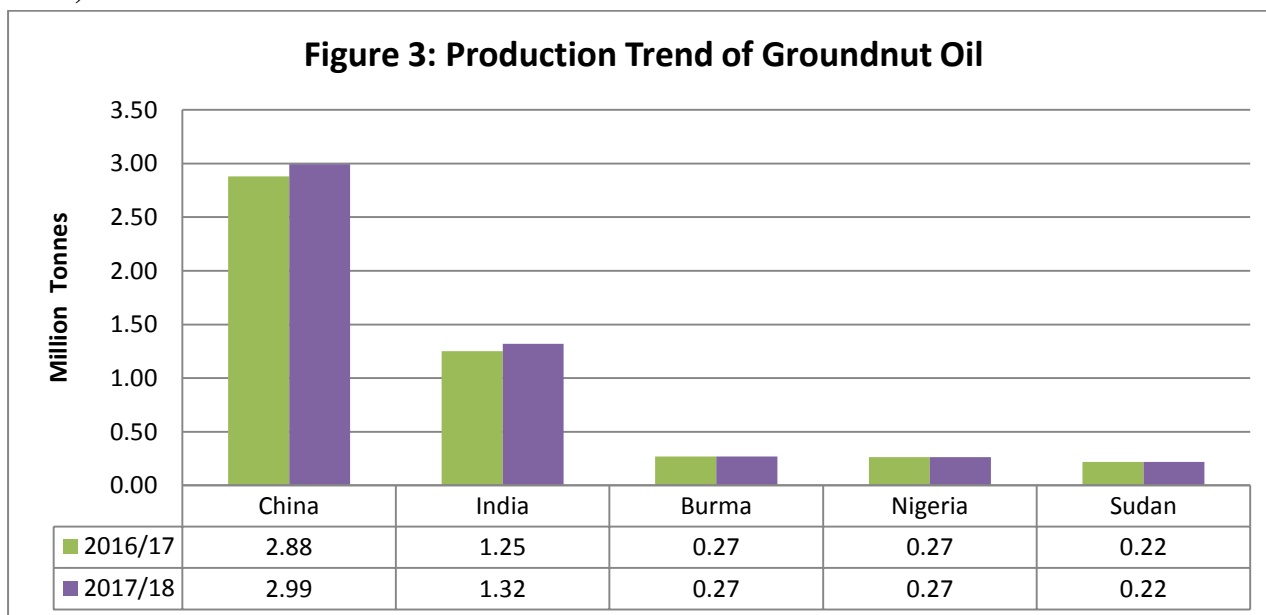
Million MT)

Edible oil	Global production (2017-18)	India's production (2017-18)	Major Exporters/ Importers (2017-18)
Ground nut oil	5.52	1.86	Exporters: Argentina, Brazil, Senegal
			Importers: China, Italy, USA
Mustard oil	28.35	2.34	Exporters: Canada, Germany, Czech Republic
			Importers: USA, China, Netherland
Sunflower oil	17.75	0.07	Exporters: Ukraine, Russia, Argentina
			Importers: India, China, Netherlands
Soybean oil	56.15	1.83	Exporters: Argentina, Brazil, USA
			Importers: India, Bangladesh, Algeria
Palm oil	69.42	0.22	Exporters: Indonesia, Malaysia, Netherland
			Importers: India, China, Pakistan

Source: Global Production: USDA, India's Production: DVVOF, Exporters & Importers: Comtrade

5. Global Production Trend of Major Edible Oils

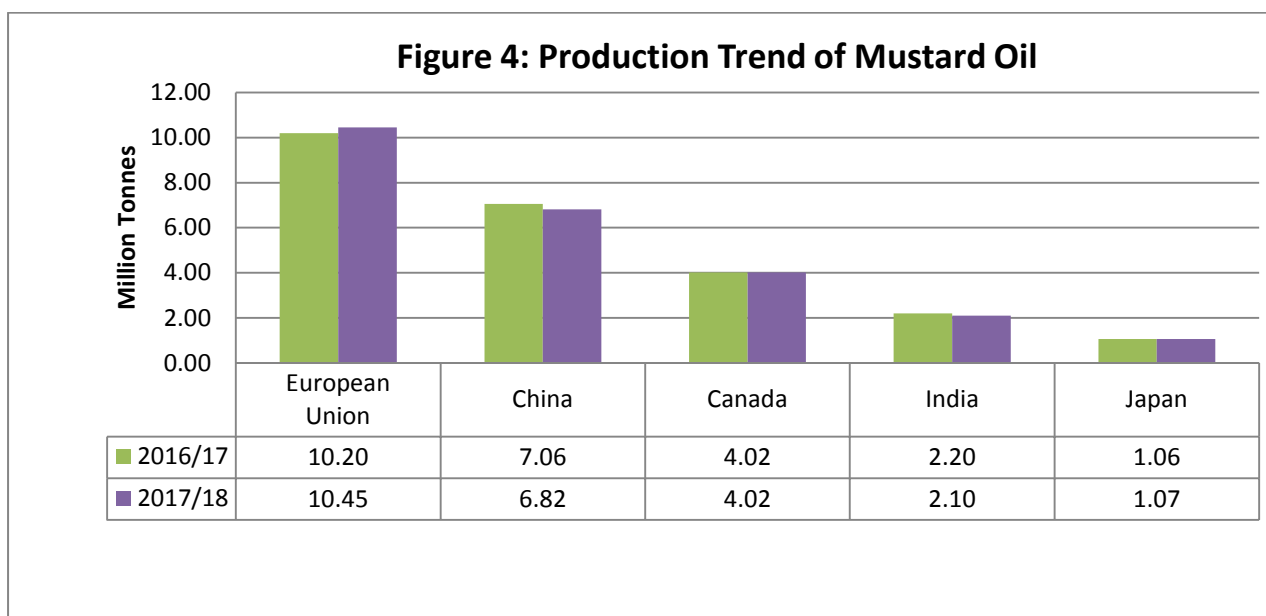
A) Groundnut oil



Source: United States Department of Agriculture

- China is expected to be the top producer followed by India and Burma in 2017-18.
- India's share in global production of Groundnut Oil in 2017-18 may be around 23 percent.

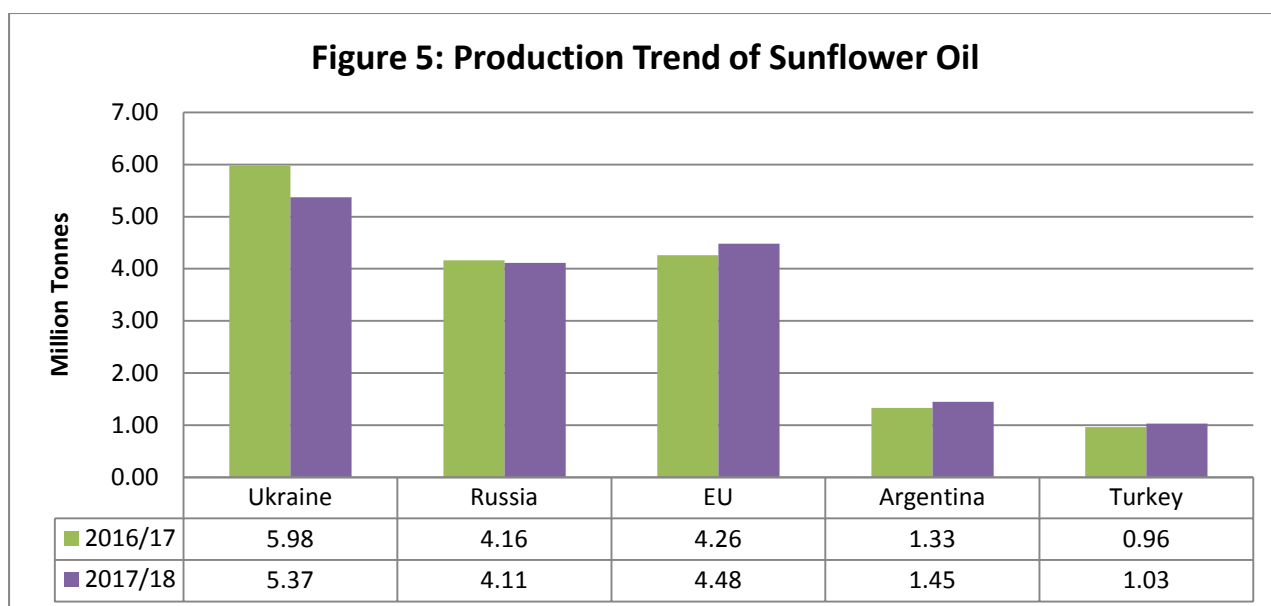
B) Mustard Oil



Source: United States Department of Agriculture

- European Union (EU) is expected to be the top producer followed by China and Canada in 2017-18. India may be the fourth largest producer.
- India's share in global production of mustard oil in 2017-18 may be around 8 percent.

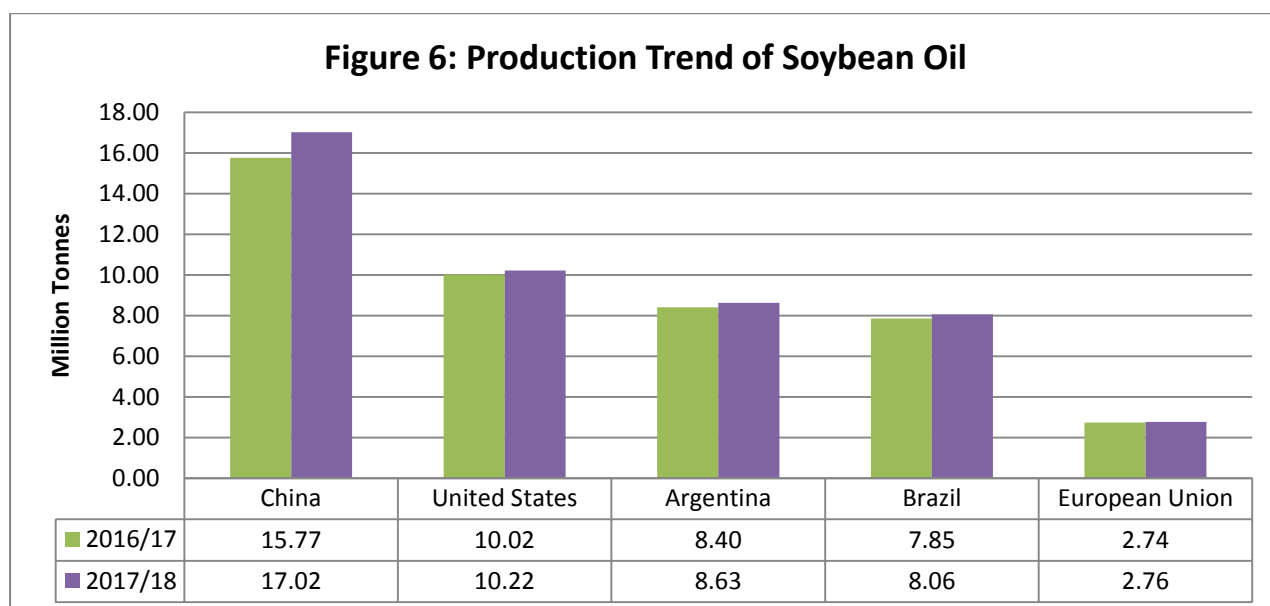
C) Sunflower oil



Source: United States Department of Agriculture

- Ukraine is expected to be the largest producer followed by Russia and EU in 2017-18.
- India's share in global production of sunflower oil in 2017-18 may be around 4.0 percent.

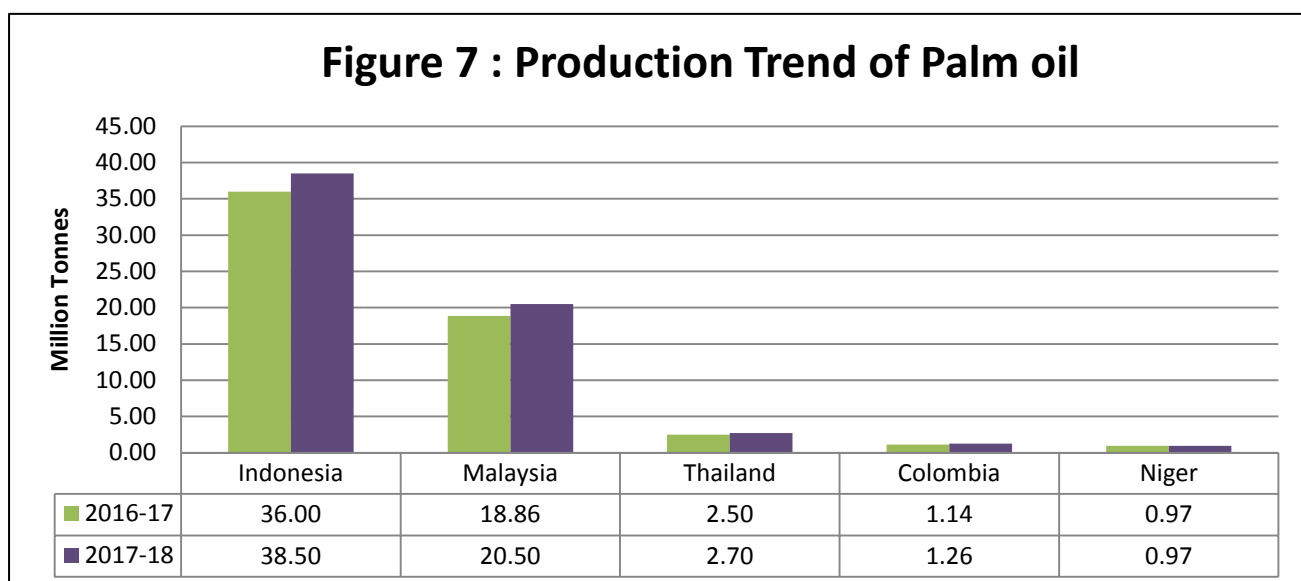
D) Soybean oil



Source: United States Department of Agriculture

- China, United States, Argentina and Brazil are expected to be the key producers of Soybean oil in 2017-18.
- India's share in global production of Soybean Oil in 2017-18 may be around 3 percent.

E) Palm Oil

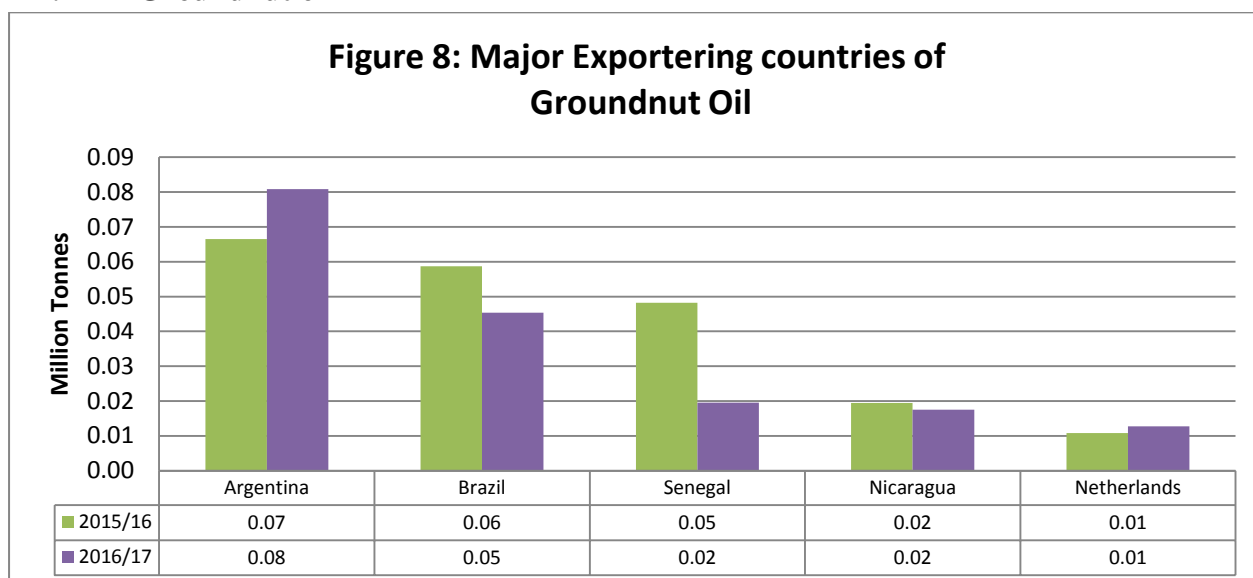


Source: United States Department of Agriculture

- Indonesia and Malaysia are major Palm oil producers in the world.

6. Major Exporting and Importing Countries of Edible Oils

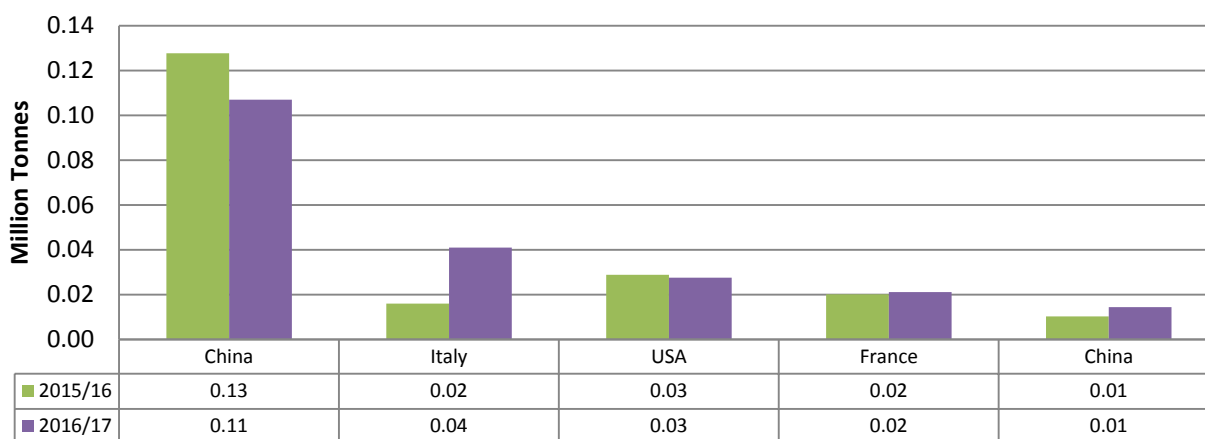
A. Groundnut oil



Source: Comtrade

- Argentina and Brazil were the top two exporting countries of Groundnut oil in 2016-17.

Figure 9: Major Importing countries of Groundnut Oil

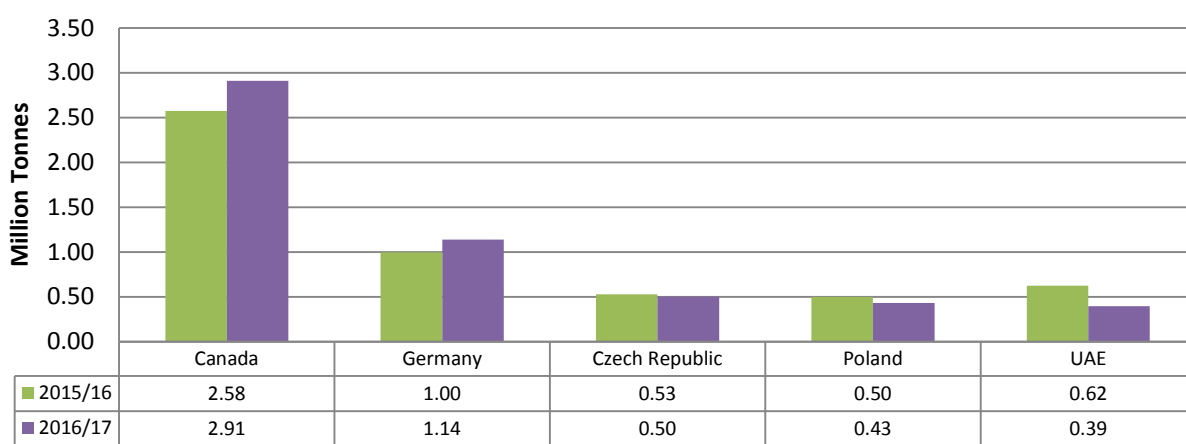


Source: Comtrade

- China and Italy were the major importing country of groundnut oil in 2016-17.

B. Mustard oil

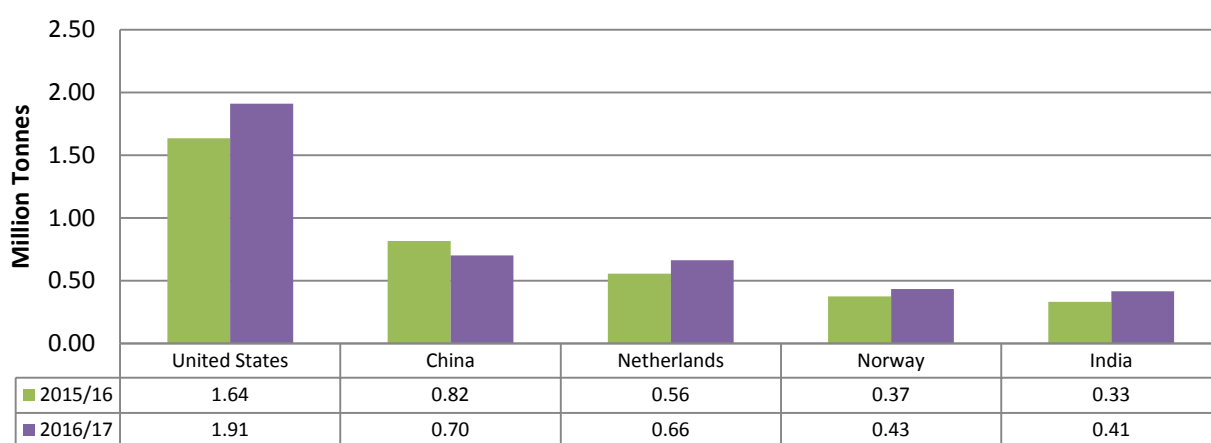
Figure 10: Major Exporting countries of Mustard Oil



Source: Comtrade

- Canada was the largest exporter of Mustard oil in the world followed by Germany and Czech Republic in 2016-17.

Figure 11: Major Importing countries of Mustard Oil

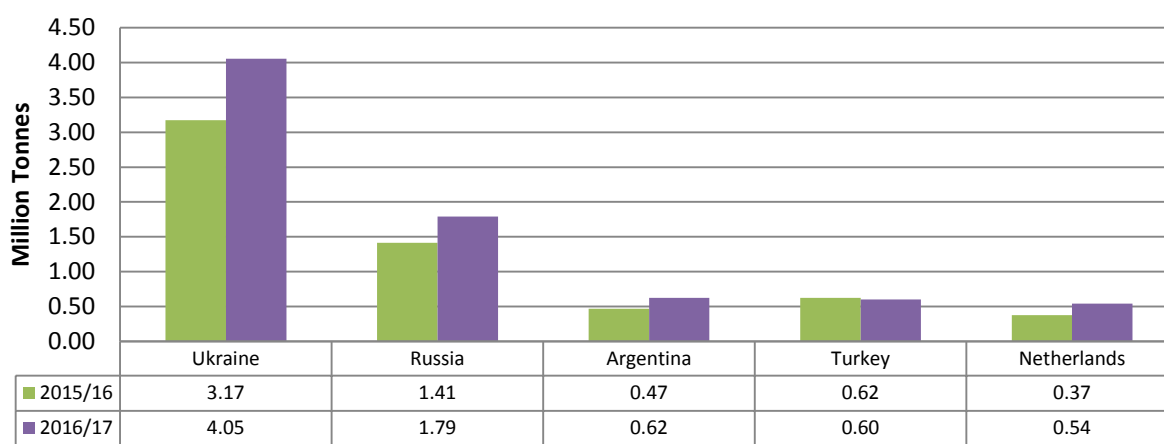


Source: Comtrade

- The USA and China were the leading importing countries of Mustard oil in the world. India was the 5th largest importing country in 2016-17.

C. Sunflower oil

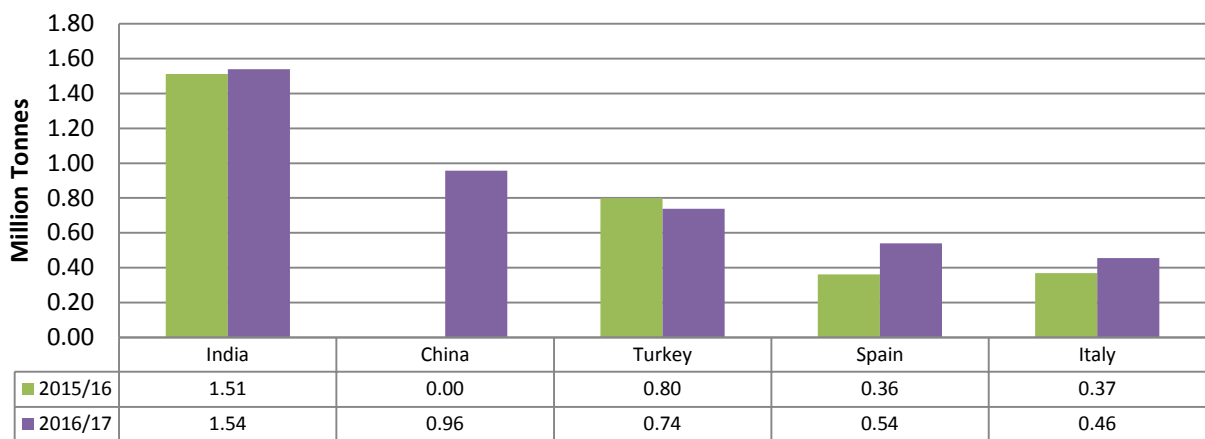
Figure 12: Major Exporting countries of Sunflower Oil



Source: Comtrade

- Ukraine and Russia were the top two global exporters of sunflower oil during 2016-17.

Figure 13: Major Importing countries of Sunflower Oil

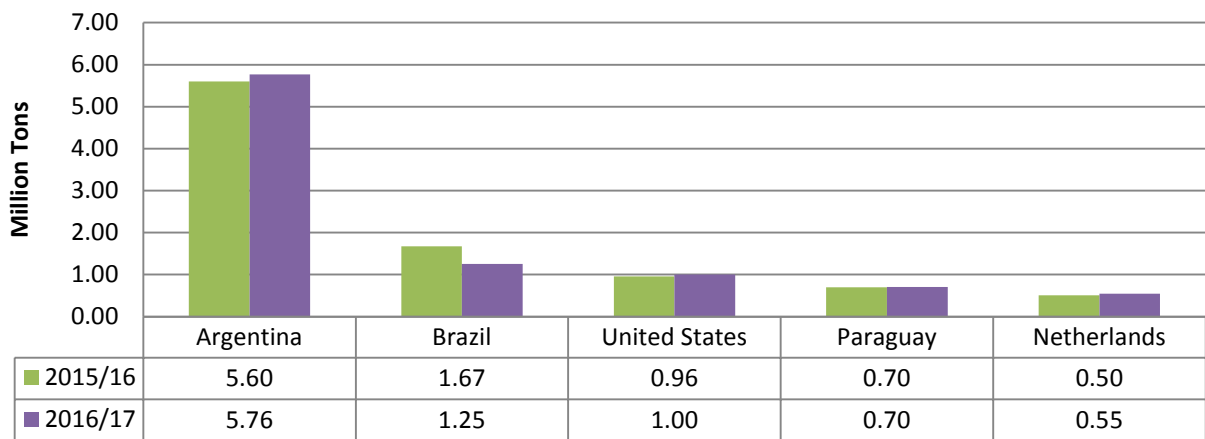


Source: Comtrade

- India was the largest importer of Sunflower oil followed by China, Turkey, and Spain during 2016-17.

D. Soybean oil

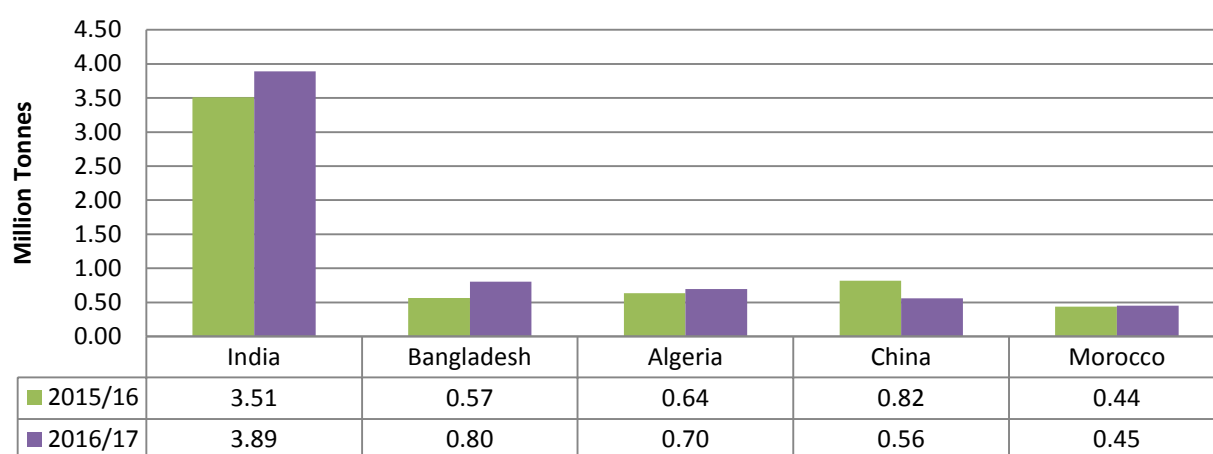
Figure 14: Major Exporting countries of Soybean Oil



Source: Comtrade

- Argentina was the largest exporting country in the world followed by Brazil, USA, and Paraguay during 2016-17.

Figure 15: Major Importing countries of Soybean Oil

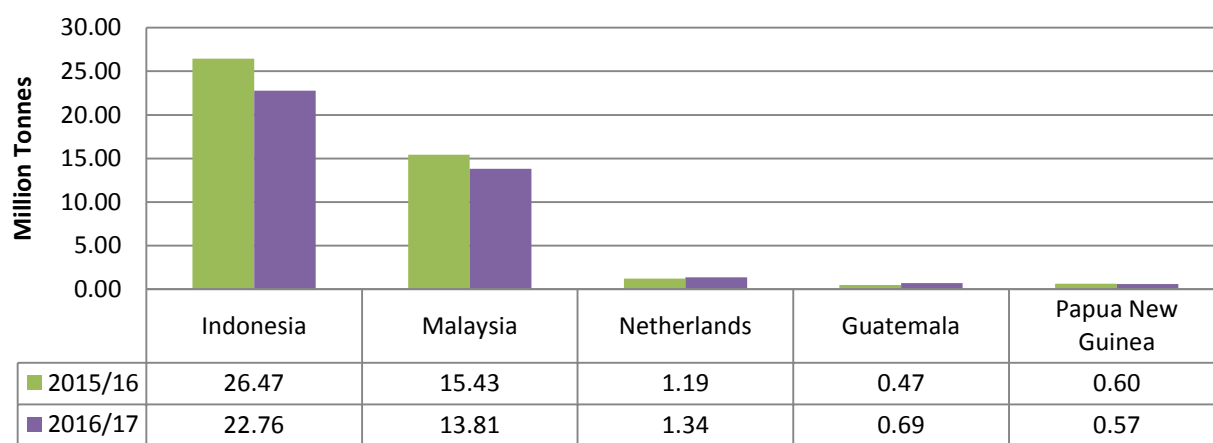


Source: Comtrade

- India was the largest importer of soybean oil that constituted 29.89 percent of the global import in the year 2016-17.

E. Palm oil

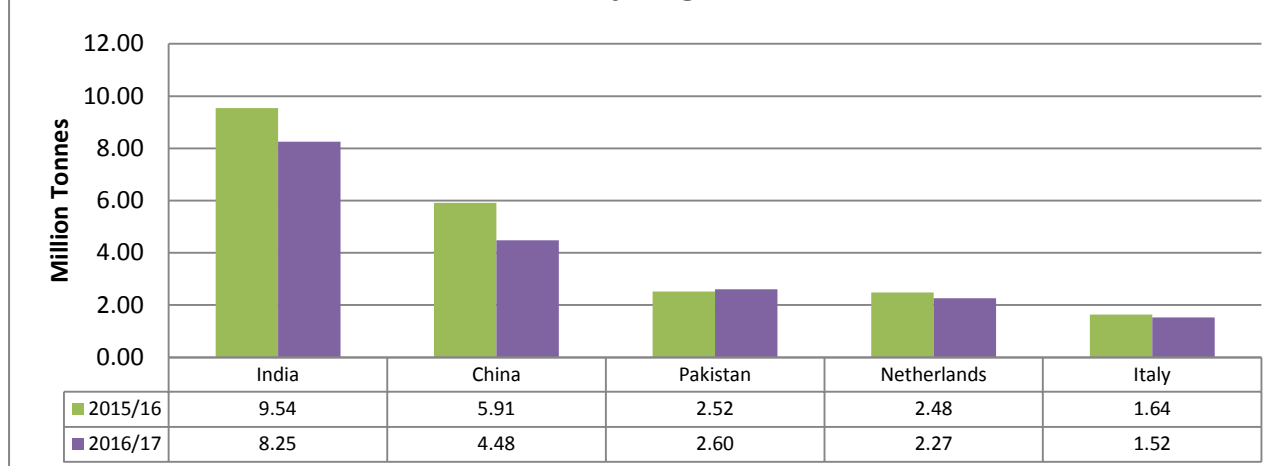
Figure 16: Major Exporting countries of Palm Oil



Source: Comtrade

- Indonesia and Malaysia hold both competitive as well as comparative advantage in exportation of Palm oil in the world.

Figure 17: Major Importing countries of Palm Oil



Source: Comtrade

- India is the largest importer of Palm oil in the world followed by China, Pakistan and Netherland.

7. India's import of major edible oils

(Qty in lacs Tonnes)

Year	Soybean Oil		Palm Oil		Sunflower Oil		all edible oils	
	Crude	Refined	Crude	Refined	Crude	Refined	Crude	Refined
2012-13	11.2	0.0	70.0	14.2	11.4	0.0	92.6	14.22
2013-14	13.5	0.0	51.3	25.4	10.8	0.0	75.6	25.50
2014-15	23.2	0.0	69.7	11.9	17.1	0.0	110.0	11.91
2015-16	39.6	0.0	71.1	25.7	14.9	0.0	125.6	25.71
2016-17	34.6	0.0	53.6	29.4	17.3	0.0	105.5	29.43
2017-18 (Apr- Feb)	30.1	0.0	62.1	25.6	20.3	0.0	112.5	25.66

Source: Department. Of commerce

(Value in Rs. Crores)

Year	Soybean Oil		Palm Oil		Sunflower Oil		all edible oils	
	Crude	Refined	Crude	Refined	Crude	Refined	Crude	Refined
2012-13	7611	0.06	36163	7764	7620	0.20	51394	7764
2013-14	8308	0.05	26440	12915	6882	1.62	41630	12917
2014-15	12908	0.11	33055	5839	9552	1.07	55519	5841
2015-16	19419	0.50	27409	10390	8323	1.04	55151	10391
2016-17	18703	0.69	26381	14708	9791	1.32	54876	14710
2017-18 (Apr- Feb)	15730	0.48	28443	11863	10669	1.91	54842	11865

Source: Department. Of commerce

- India imports substantial amount of edible oils for its domestic consumption. Among all edible oils importation into India, Palm oil importation share is around 60 percent.

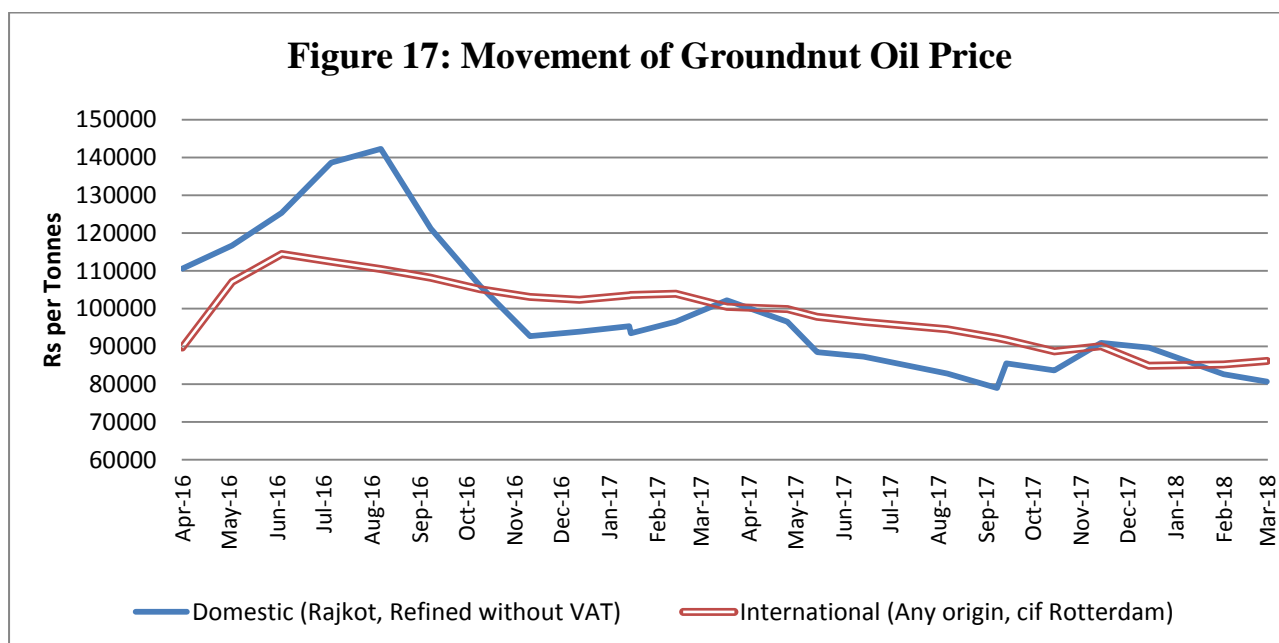
8. India's top import sources of Palm, Soya and Sunflower Oils

Table 5: India's Top Import Sources of Palm, Soya and Sunflower Oils	
Edible Oils	Import Source
Soybean Oil	Argentina and Brazil
Palm Oil	Indonesia and Malaysia
Sunflower Oil	Ukraine and Argentina

Source: Department of Commerce

9. Movement of Domestic and International Edible Oils Prices

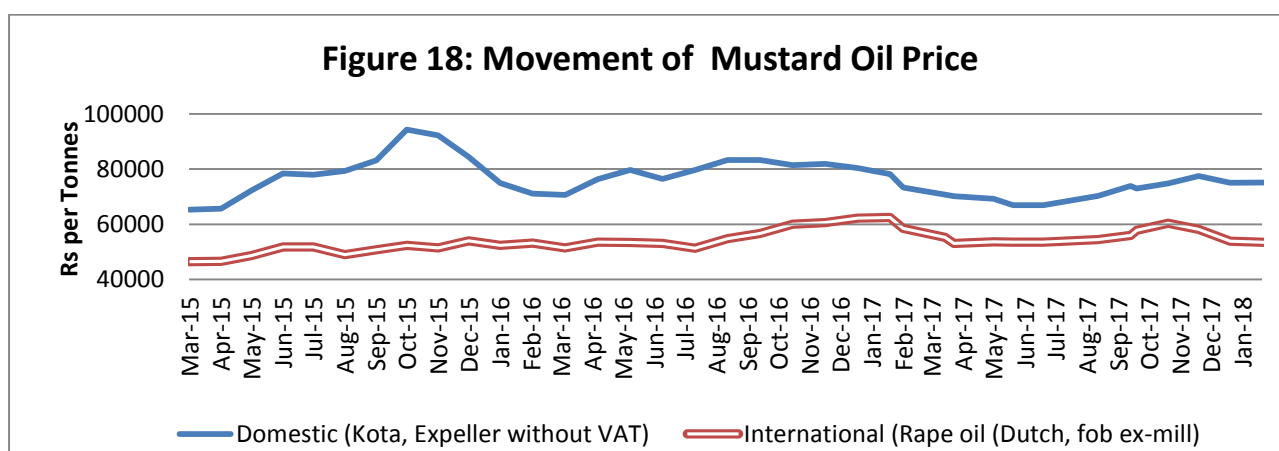
I. Groundnut oil



Source: Domestic Price Agriwatch and International Price are FAO Prices.

- Domestic prices of Groundnut oil are showing decreasing trend from April, 2017.

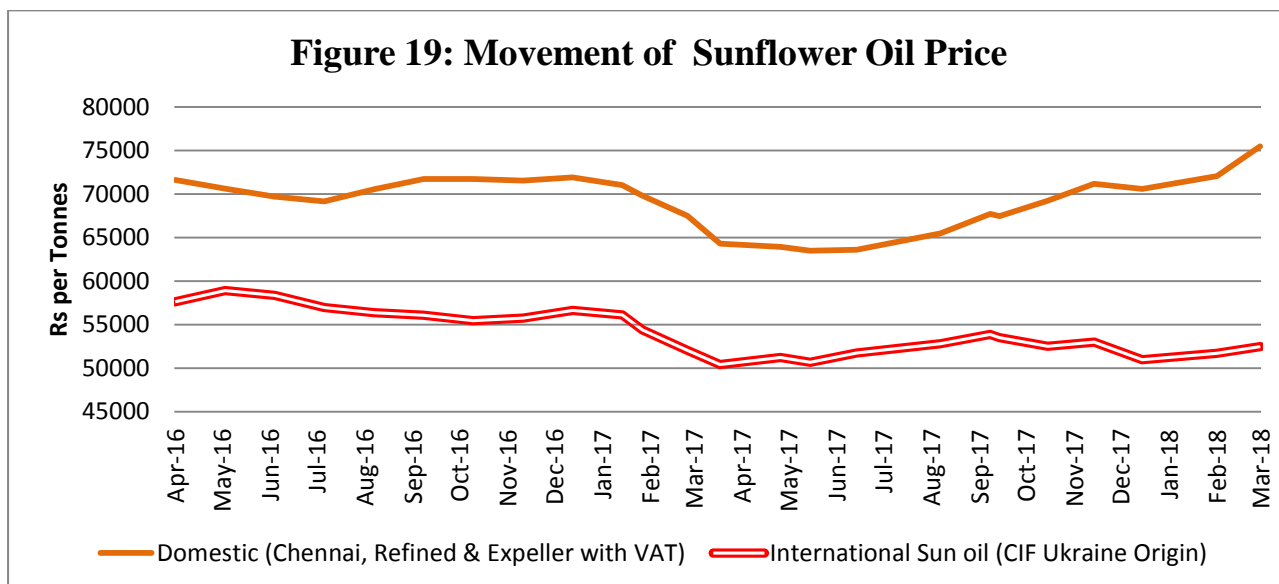
II. Mustard oil



Source: Domestic Price Agriwatch and International Price are FAO Prices.

- Domestic price of Mustard Oil is higher than that of International prices throughout the years.

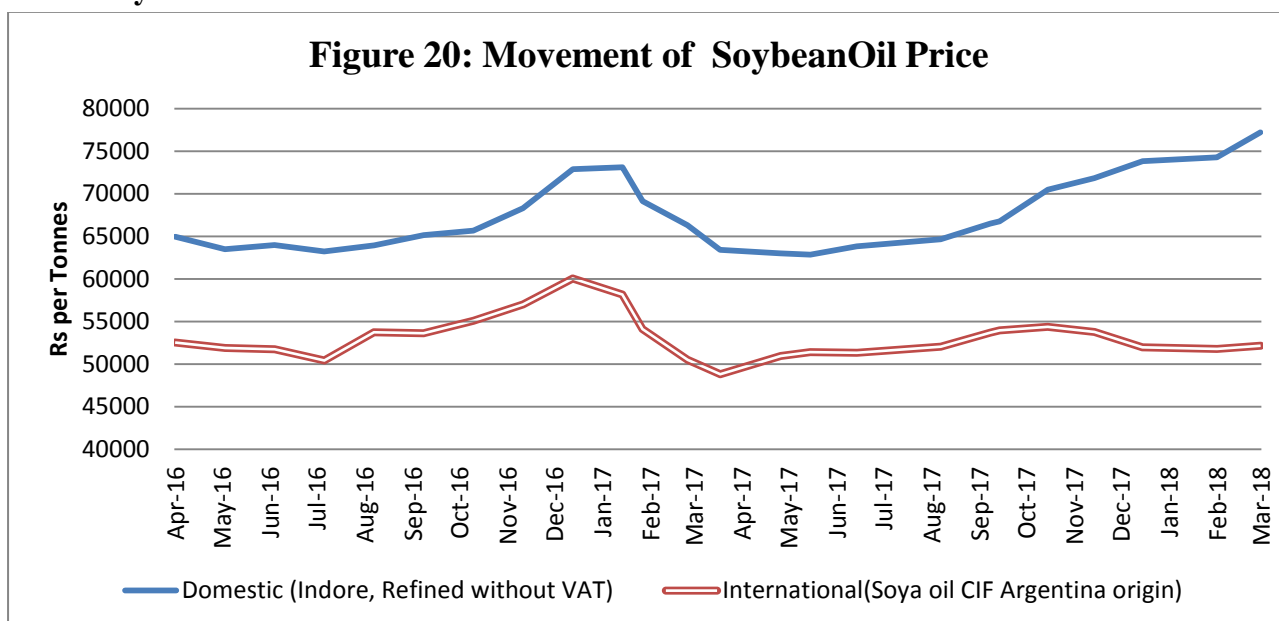
III. Sunflower oil



Source: Domestic Price Agriwatch and International Price are CIF Ukraine origin Prices.

- Domestic prices of Sunflower oil are higher than International prices throughout.

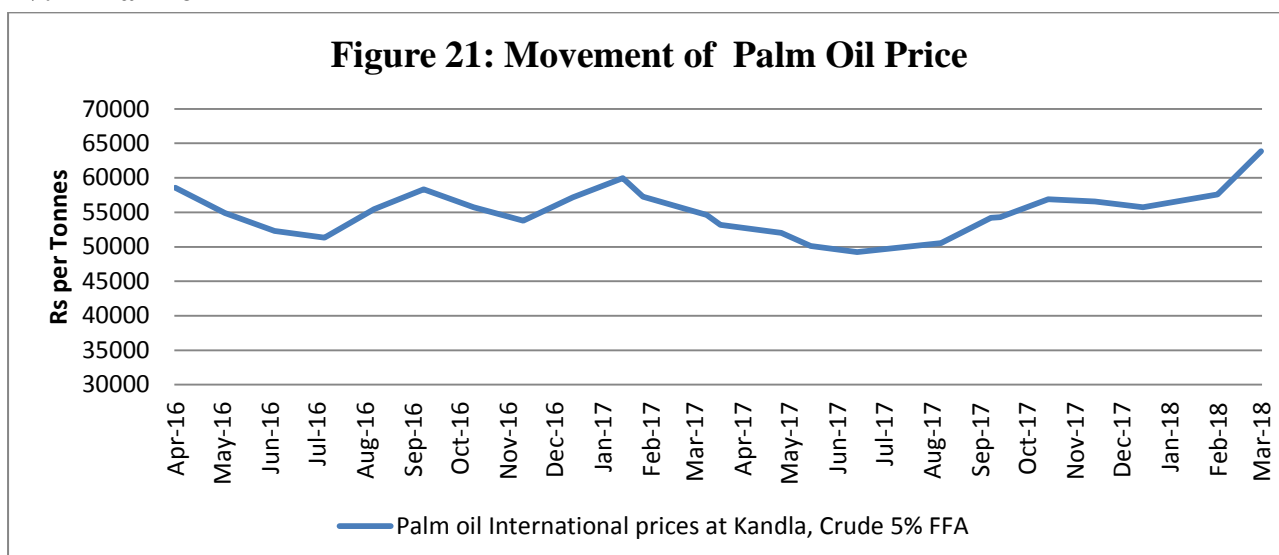
IV. Soybean oil



Source: Domestic Price Agriwatch and International Price are CIF Argentina origin Prices.

- Domestic price of soybean oil are higher than International prices throughout period.

V. Palm oil



Source: International landing Price at Kandla, Agriwatch.

- International price of palm oils are showing an upward trend mixed trend.

10. Domestic future prices of Soya bean and Palm oil

Unit: Rs/Quintal

Contract Month	As on 19.04.18	Week ago 12.04.18	Month ago 20.03.18	3 Months ago 19.01.18	6 Months ago 19.10.17	Year ago 19.04.17	% Change over previous year
Apr-18	7663.5	7705.5	7795.5	7312	6820	6280	22.03
May-18	7736.5	7804.5	7851.5	7276.5	6820	6177.5	25.24
June-18	7775	7833.5	7894.5	7276.5	6820	6092.5	27.62

Source: National Commodity & Derivatives Exchange Limited

- Domestic future price for Crude Soya bean oil is expected to increase over the previous year.

Unit: Rs/Quintal

Contract Month	As on 19.04.18	Week ago 12.04.18	Month ago 20.03.18	3 Months ago 19.01.18	6 Months ago 19.10.17	Year ago 19.04.17	% Change over previous year
Feb-18	6418	6410	6386	5536	5321	5087.5	26.15
Mar-18	6467	6410	6505	5536	5321	4812.5	34.38
Apr-18	6464	6410	6515	5536	5321	4683	38.03

Source: Multi Commodity Exchange of India Ltd

- Domestic future price for Crude Palm oil is expected to increase over the previous year.

11. International future prices of Soya bean and Crude Palm Oil

Unit: USD/Ton

Contract Month	As on 19.04.18	Week ago 12.04.18	Month ago 19.03.18	3 Months ago 19.1.18	6 Months ago 20.10.17	Year ago 19.04.17	% Change over previous year
May-18	698.42	703.27	704.81	720.68	759.71	696.21	0.32
July-18	701.28	706.13	707.46	722.01	763.67	700.84	0.06
Aug-18	705.25	709.88	710.32	723.11	763.23	703.27	0.28
Sept-18	708.56	713.19	712.53	723.33	761.25	705.69	0.41

Source: CME Soybean Oil Prices

- International future prices of Soya bean are expected to remain constant over the last year.

Unit: USD/Ton

Contract Month	As on 19.02.18	Week ago 12.04.18	Month ago 19.03.18	3 Months ago 20.1.18	6 Months ago 19.10.18	Year ago 19.04.17	% Change over previous year
Apr-18	618.74	615.96	624.68	759.73	644.5	598.95	3.30
May-18	620.28	618.8	622.13	761.6	644.5	598.95	3.56
June-18	620.28	619.05	619.33	758.48	644.5	581.67	6.64

Source: BMD Malaysian Palm Oil Prices

- International future prices of Palm oil are to increase over the last year.

12. Trade Policy

12.1 Export Policy

At present, export of edible oils is prohibited*. The following exemptions are permitted from prohibition on export of edible oils:

- a) Castor oil
- b) Coconut oil from all EDI Ports and through all Land Custom Stations (LCS) on Indo-Nepal, Indo-Bangladesh, Indo-Bhutan and Indo-Pakistan borders.
- c) Deemed export of edible oils(as input raw material) from DTA to 100% EOUs for production of non-edible goods to be exported
- d) Edible oils from Domestic Tariff Area (DTA) to Special Economic Zones (SEZs) to be consumed by SEZ units for manufacture of processed food products, subject to applicable value addition norms
- e) Edible oils produced out of minor forest produce, ITC (HS) Code 15159010, 15159020, 15159030, 15159040, 15179010 and 15219020.
- f) Organic edible oil subject to export contracts being registered and certified as 'Organic' by Agricultural & Processed Food Products Export Development Authority (APEDA).#
- g) Rice Bran oil bulk.**
- h) Groundnut oil, Sesame oil, Soyabean oil and Maize (Corn) oil in bulk.##

*i) DGFT's Notification No 22 (RE – 2013)/2009-2014 dated 18 June, 2013)

ii) Export of edible oils in branded consumer packs of upto 5 Kgs is permitted with a Minimum Export Price of USD 900 per MT(vide DGFT's Notification No. 108 (RE–2013)/2009-14dated6th Feb, 2015)

iii) The prohibition will not apply to export of Peanut Butter, ITC (HS) Code 15179020.

(Source: DGFT)

** iv) Bulk export of rice bran oil is allowed vide DGFT's notification no. 17/2015-20 dt 6th Aug 2015.

(v) DGFT's Notification No. 43/2015-2020 dated 27th March, 2017.

(v) DGFT's Notification No. 3/2015-2020 dated 19th April, 2017.

12.2 Import Duty - Bound Duty, Standard Duty and Current Applied Duty

Table 10: Bound Duty, Standard Duty and Current Applied Duty				
HS Code	Description	Bound Duty	Standard Duty	Current Applied Duty#
15071000	Soya- bean Crude Oil	45	45	30*
15079010	Soya- bean Edible grade	45	45	35*
15079090	Soya- bean Other	45	45	35*
15081000	Groundnut oil crude	300	100	30^
15089010	Groundnut oil Deodorized	300	100	35^
15089091	Groundnut edible Grade	300	100	35^
15089099	Groundnut oil Other	300	100	35^
15091000	Olive oil virgin	45	45	30^
15099010	Olive Edible grade	40	40	35^
15099090	Olive Edible Other	40	40	35^
15111000	Palm Crude Oil	300	100	44#
15119010	Other refined bleached palm oil	300	100	54#
15119020	Other refined bleached Palmolein	300	100	54#
15119090	Other refined palm oil	300	100	54#
15121110	Crude sunflower-seed oil	300	100	25*
15121120	Crude safflower oil	300	100	30^
15121910	Sunflower oil edible Grade	300	100	35*
15121920	Sunflower oil Non-edible	300	100	35*
15121930	Saffola oil Edible	300	100	35^
15121940	Saffola Oil Non edible	300	100	35^
15121990	Saffola Oil Other	300	100	35^
15122100	Cotton Seed oil Crude	300	100	30^
15122910	Cotton Seed oil Edible	300	100	35^
15122990	Cotton Seed oil Other	300	100	35^
15131100	Crude coconut oil	300	100	30^
15131900	Other coconut oil	300	100	35^
15141110	Low erucic Colza oil	75	75	25*
15141120	Low erucic rape oil	75	75	25*

15141190	Low erucic other oil	75	75	25*
15141910	Refined colza oil of edible grade	75	75	35*
15141920	Refined rapeseed oil of edible grade	75	75	35*
15141990	Refined other rapeseed & Colza oil of edible grade	75	75	35*
15149110	Crude other Colza oil	75	75	25*
15149120	Crude other mustard oil	75	75	25*
15149190	Crude other Rapeseed oil	75	75	25*
15149910	Refined other colza oil of edible grade	75	75	35*
15149920	Refined other mustard oil of edible grade	75	75	35*
15149930	Refined other rapeseed oil of edible grade	75	75	35*
15149990	Refined other oil	75	75	35*
15151100	Linseed oil Crude	300	100	30^
15151910	Linseed oil Edible	300	100	35^
15151910	Linseed oil other	300	100	35^
15153010	Castor Oil Edible	100	100	35^
15153090	Castor Oil Other	100	100	35^
15155010	Seasame oil Crude	300	100	30^
15155091	Seasame oil Edible	300	100	35^
15155099	Seasame oil Other	300	100	35^

Source: DGFT, Department of Revenue, Government of India and World Trade Organisation (WTO)

*Current Applied Duty on Crude Soybean has been increased from 17.5% to 30% and on refined Soybean oil from 20% to 35%. Current Applied Duty on Crude Sunflower oil has been increased from 12.5 % to 25% and on refined Sunflower oil from 20% to 35%. Current Applied Duty on Crude Rapeseed oil including canola oil, mustard oil and colza oil has been increased from 12.5% to 25% and on refined Rapeseed oil including canola oil, mustard oil and colza oil from 25% to 35 % by Department of Revenue vide Notification No. 87/2017-Customs dated 17.11.2017.

^ BCD on crude edible vegetable oils namely Ground nuts, Olive oil, cotton seed oil, safflower seed oil, coconut oil, linseed oil, maize corn oil, castor oil, sesame oil, other fixed veg fats and oils have been raised from 12.5% to 30%. BCD on refined vegetable oils namely Ground nuts, Olive oil, cotton seed oil, safflower seed oil, coconut oil, palm kernel/ Babassu oil, linseed oil, maize corn oil, castor oil, sesame oil, other fixed veg fats and oils, edible margarine, sal fat, modified linseed oil, modified castor oil, have been raised from 20% to 35% by Department of Revenue vide Notification No. 6/2018-Customs dated 02.02.2018.

Current Applied Duty on Crude Palm has been increased from 30% to 44% and on refined Palm oil from 40% to 54% by Department of Revenue vide Notification No. 29/2018-Customs dated 01.03.2018.

13. Significant Changes for the month: NIL

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