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Report Highlights:

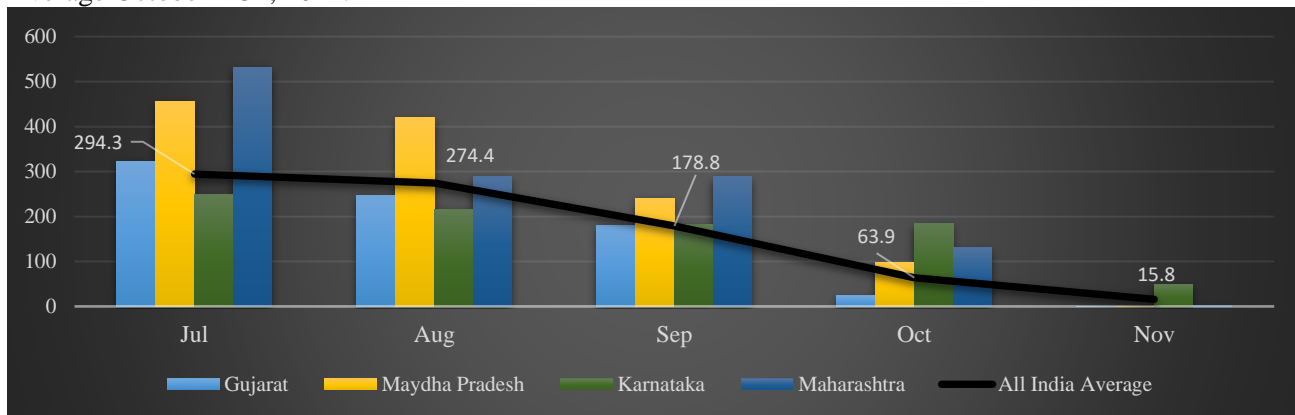
India's soybean, peanut, and sunflowerseed production for marketing year (MY) 2022/23 (October-September) is estimated at 11.1 million metric tons (MMT), 6.65 MMT, and 200,000 metric tons, respectively, reflecting heavy late season rainfall in September and October that impacted yields and crop quality. Cumulative edible oil imports in MY 2021/22 have increased four percent to 14.5 MMT, and crude palm oil remained the primary consumed oil despite Indonesia's palm oil export restrictions. Favorable domestic oilseed availability, and the Indian government's November order removing stock limits on oil and oilseeds will support higher crush in the outyear. Despite reduced oil meal export demand the previous MY, availability of oil meals and stabilized pricing are expected to result in higher use for domestic animal feed and exports. Price volatility on oilseeds and derivatives (oil and meal), continued rupee devaluation, and greater erratic weather patterns cause significant uncertainty in the new market year.

GENERAL INFORMATION

Unseasonal Rains Delay Kharif Harvest and Rabi Plantings

The uneven annual 2022 southwest monsoon (June-September) led to oilseed crop damage in certain states. Beginning in September, the monsoon's withdrawal was delayed by two weeks which contributed to heavy, unexpected precipitation throughout India. The rainfall affected the standing kharif (spring planted, fall harvested) crops, including soybean, sunflowerseed, and peanut. In Maharashtra, unseasonal October rains led to delayed soybean harvests, reduced quality (e.g., high moisture seed), yield loss, and full washout in certain regions (Figure 1).¹ Nationwide cumulative rainfall from October 1 to November 9 was approximately 36 percent above the long period average (LPA) benchmark.² During this period, Madhya Pradesh, India's leading soybean producing state, received 8.7 centimeters of rainfall, 127 percent above the LPA. In the peanut growing regions of Gujarat and Rajasthan, cumulative precipitation was 36 and 307 percent above the LPA, respectively.

Figure 1. Total Precipitation (in millimeters) of Select Primary Oilseed Growing States Against All-India Average October 1-31, 2022.



Note: This satellite-derived weather data is from the U.S. Air Force (USAF) 557th Weather Wing.

Data source: USDA Global Agricultural and Disaster Assessment System ([GADAS](#)).

Concurrently, the abnormal weather patterns have delayed the planting of rabi crop (fall planted, spring harvested) oilseeds, including sunflowerseed and rapeseed-mustard. Despite delayed plantings, area sown under rabi oilseeds for the new marketing year have cumulatively increased, driven by sufficient rapeseed-mustard seed availability and attractive prices for farmers, which reached \$59-65 per quintal (Table 1).³ However, sunflowerseed plantings have continued to decline, totaling approximately 53,000 hectares (ha) as farmers have favored other oilseed alternatives including soybean and rapeseed-mustard.⁴

¹ Source: [Indian Express](#), "Retreating monsoon wreaks havoc, soyabean & cotton cultivation hit in Vidarbha, Marathwada;" published on October 27, 2022.

² The long period average represents the approximate 870 millimeters of rain that India annually receives each monsoon on average from 1971-2020.

³ Exchange rate used throughout this report: USD \$1 = INR 82.00. One quintal equals 100 kilograms.

⁴ In the early 1990s, the total area under sunflowerseed production averaged 2.1 million ha, approximately 1.9 million ha from 2005-2010, followed a precipitous drop to 283,000 ha in MY 2017/18. Source, Ministry of Agriculture and Farmers Welfare, Government of India.

Table 1. India: Rabi Oilseed Plantings as on December 10, 2021-2022 (ha)

Oilseed	2022	2021	% Change
Rapeseed Mustard	8,795,000	8,078,000	8.15%
Peanut	319,000	298,000	6.58%
Sesame	21,000	19,000	9.52%
Sunflower	53,000	84,000	-58.49%
Safflower	58,000	60,000	-3.45%
Linseed	247,000	196,000	20.65%

Data Source: Department of Agriculture and Farmers Welfare, National Food Security Mission.

Sufficient soil moisture and high reservoir storage capacity for irrigation during the November-December planting period further support rabi oilseed crop plantings.

Oilseed Policies

Rabi Oilseed Crop Minimum Support Prices

On October 18, 2022, the Indian government announced the Minimum Support Prices (MSP) for rabi crops for Indian crop year 2022/23. Like in previous years, the government again increased the MSP for certain oilseeds, including rapeseed-mustard and safflower whose MSPs grew by seven and four percent respectively, from the previous crop year (Table 2).

The Indian crop year MSPs for rabi production in 2022/23 continue to align with the government's commitment to fix the MSP at a level of at least 1.5 times above the All-India weighted average cost of production, supporting a fair remuneration for farmers (Source: [Cabinet Committee on Economic Affairs, Government of India](#)).

Table 2. Government MSP for Rabi Oilseeds

Commodity	Minimum Support Price (Indian Rupees/quintal [100 kg])			
	2022/23	2021/22	2020/21	2019/20
Rapeseed/Mustard	5,450	5,050	4,650	4,425
Safflower	5,650	5,441	5,327	5,215

Data source: [Directorate of Economics and Statistics, Ministry of Agriculture and Farmers Welfare](#).

Domestic market oilseed prices in the latter half of market year (MY) 2021/22 have been significantly higher compared to the MSP, and season-end prices remain well above the announced MY 2022/23 MSPs. Planting decisions will continue to be influenced by competing crops in the region (e.g., cotton, millet, maize) and the annual monsoon during the critical June-July planting period.

Stock Limit Order Removal

On November 1, 2022, the Department of Food and Public Distribution, Ministry of Consumer Affairs, announced the removal of oilseed and oil stock limits previously imposed on wholesalers and traders. Under the previous 2021 regulation (Amendment on Removal of Licensing Requirements, Stock Limits

and Movement Restrictions on Specified Foodstuffs), the Indian government had attempted to keep rising edible oil prices in check by controlling stock quantities and monitoring consumption. According to the Indian government, a drop in both international and domestic edible oil prices in October 2022 and high consumer demand led the government to annul the regulation.⁵ Now, modern retail outlets and wholesale markets can stockpile as many brands as possible and increase their warehousing volumes without penalty. However, significant hoarding is not expected due to limited product shelf life and growing consumer demand in the near term.

Environmental Release of Genetically Engineered Mustard

On October 18, 2022, the Genetic Engineering Appraisal Committee within the Ministry of Environment, Forest, and Climate Change recommended the environmental release of the locally developed genetically engineered (GE) mustard parental lines for events to be used for developing new hybrids and seed production. Despite this recommendation, anti-biotechnology advocacy groups have protested by suggesting that GM-crops would compromise food safety and biodiversity in India. The Indian Council of Agricultural Research has planted the GM-mustard hybrid lines for yield trials while the Supreme Court of India on November 30, 2022, heard a petition by activists challenging the GEAC decision.⁶ To date, the Supreme Court has not rendered a verdict, which could disrupt private and public sector entities intending to develop GM-hybrid mustard seed for commercial cultivation.⁷

Concessional Customs Duties Extended

On October 2, the Department of Food and Public Distribution announced a six-month extension of its existing concessional import duties on a range of edible oils that now lasts through March 31, 2023. The import duty structure on crude palm oil (CPO), refined, bleached, and deodorized (RBD) palm olein, RBD palm oil, and crude soybean oil, remains at a zero percent duty with a five percent agricultural tax (cess) and 10 percent social welfare charge. According to the Indian government, the extension intends to further increase domestic supply and stabilize prices.⁸ The move comes as the Indian government has reportedly examined proposals to the palm oil import tax structure following a surge in discounted palm oil imports, including RBD palm olein.⁹

Oilseed Price and Trade

The Indian government's regulation that removed stock limits (See: Stock Limit Order Removal section) have positively supported higher oilseed arrival prices in November, including soybeans, peanut, and rapeseed-mustard (Figure 2). Greater oilseed availability has supported improved crush-margins, including in domestic soybeans, which is likely to contribute to improved soybean meal exports in the

⁵ See: [Ministry of Consumer Affairs, Food & Public Distribution](#), Press Information Bureau; Major Modification in the Stock Limit Order in Respect of Oils And Oilseeds.

⁶ See: [The Economic Times](#). "Is there compelling reason for environmental release of GM Mustard? SC asks Centre," published on December 2, 2022.

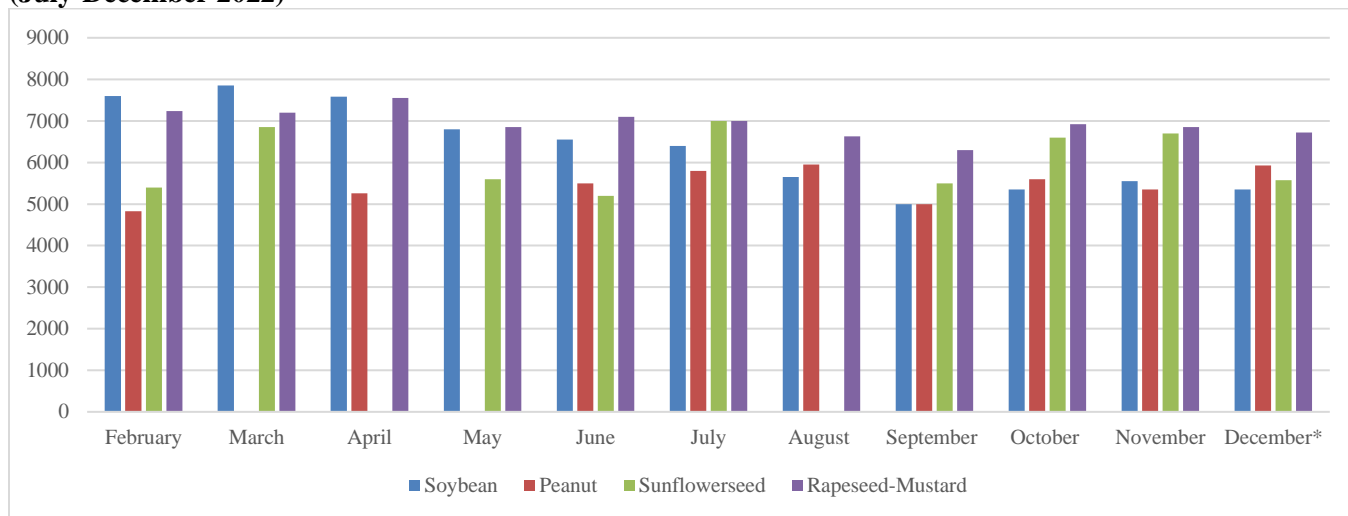
⁷ For more information, see: USDA GAIN, "India Approves the Environmental Release of Genetically Engineered Mustard," [IN2022-0100](#).

⁸ The basic customs duty on RBD palm olein and palm oil is 12.5 percent and 17.5 percent for refined soybean oil and sunflowerseed oil. See: [Ministry of Consumer Affairs, Food & Public Distribution](#), Press Information Bureau; "Concessional custom duty on Edible Oil import extended till March 2023 to keep domestic price under control."

⁹ See [Mint](#), "India considering proposal to raise palm oil import tax;" published on October 18, 2022.

new marketing year. For rapeseed-mustard, following a record crop in MY 2021/2022, greater domestic availability for crush and competitive pricing resulted in increased exports of rapeseed-mustard meal in regional markets.

Figure 2: India: Average Spot Prices for Certain Edible Oilseed Arrivals (Indian Rupee [INR]/100 KG) (July-December 2022)



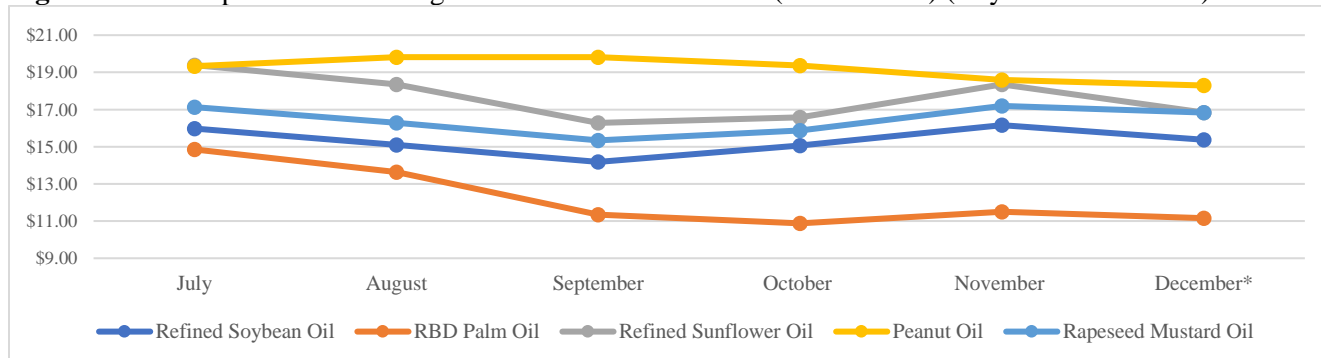
Data source: Agriwatch.

Note: Spot Market prices in Indian rupees per quintal and include oilseeds soybean (ex-Indore); CPO (ex-Kandla); Peanut (ex-Rajkot); Sunflowerseed (ex-Sholapur); Rapeseed-Mustard (ex-Jaipur). No August prices recorded for sunflowerseed in Sholapur. *Average December prices from December 3-9, 2022.

Edible Oil Price Stabilization Follows Traditional High Demand Months

Following high edible oil prices in April 2022 due to the Russian invasion of Ukraine, wholesale prices have since stabilized, supported by a resumption of sunflowerseed oil arrivals from non-traditional origins, discounted CPO, and the Indian government’s lifting of edible oil import duties on soybean and sunflowerseed. Prices of sunflowerseed oil, which reached as high as \$24.50 per 10/kg (INR 2,000) in April 2022 have gradually fallen to levels seen last in the previous market year and have since stabilized averaging between \$16-\$19 per 10/KG (Figure 4).

Figure 4: India: Spot Market Average Refined Edible Oil Prices (USD/10 KG) (July-December 2022)



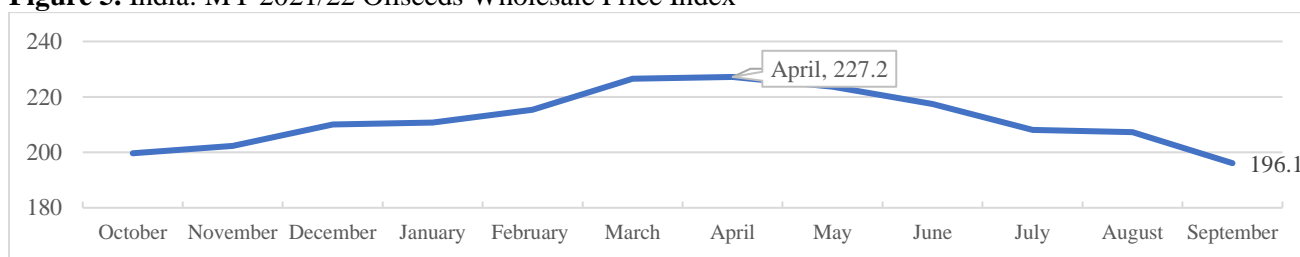
Data Source: Agriwatch.

Note: Spot market prices include refined soybean oil (ex-Indore); RBD palm oil (ex-Kandla); peanut oil (ex-Rajkot); refined sunflower oil (ex-Chennai); rapeseed-mustard (Expeller, ex-Jaipur). *December prices for week of December 5, 2022.

India's festival season that revolves around Diwali and that began in October saw a moderate increase in wholesale edible oil prices, a trend that typically manifests due to higher household use and food manufacturing for traditional Indian foods. Higher domestic soybean arrivals for oil production in the beginning of MY 2022/23, combined with a drop in both international CPO and crude soybean oil prices have stabilized domestic stocks.

Additionally, higher stocks and falling edible oil prices have contributed to a drop in food inflation. India's October 2022 Wholesale Price Index for oilseeds fell by three percent from the previous month and represents a 17 percent drop from April 2022 highs (Figure 5). The stabilization in domestic edible oil prices is a reflection of reduced global prices and Indian government interventions that were prompted by the Russian invasion of Ukraine.

Figure 5. India: MY 2021/22 Oilseeds Wholesale Price Index



Data Source: Department for Promotion of Industry and Internal Trade, Office of the Economic Adviser.

Note: Wholesale price index tracks the overall rate of change in producer and wholesale prices. The index is set at 100 for its base period and is calculated based on price changes for the aggregate output of goods.

Base Year: Indian Fiscal Year 2011/12 = 100.

OILSEEDS SECTION

SOYBEAN

Market Year 2022/23 Soybean Production Estimate Slightly Dropped Again

India's soybean production MY 2022/23 (October-September) is forecast downward to 11.32 million metric tons (MMT), harvested from 12.5 million hectares. The marginally lower estimate reflects late, heavy rainfall experienced throughout central and southern India, including the primary soybean growing regions of Maharashtra and Madhya Pradesh during the harvesting period. Post sources report minor yield loss and a reduction in seed quality following a 10-day period of excessive rainfall beginning mid-September.

FAS New Delhi (Post) estimates domestic soybean stocks for MY 2021/22 ending higher at 1.5 MMT, and lower crush at 9.2 MMT, that have contributed to the lack of competitiveness of Indian soybeans in the global market which occurred during the marketing year. With already negligible imports, Post has lowered India's soybean import forecast to 250,000 metric tons (MT). More recently, domestic crushers have experienced a resurgence in processing consisting of mixed MY 2021/22 old crop and new. Driven by greater export demand for soybean meal, India's exports of whole soybeans are forecast moderately lower to 70,000 MT, as total crush in the outyear is expected to reach new highs.

Domestic soybean market prices have continued to remain above the MSP (INR 4,300/quintal) in the new market year. On December 10, spot prices were \$656/MT (INR 54,250/MT) (ex-Indore), 26 percent above the minimum support price. The United States, Belgium, Canada, and Nepal were the top importers of Indian-origin soybeans during the period.

Table 3. India: Oilseed, Soybean, Production, Supply and Distribution

Oilseed, Soybean	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	12700	12700	12700	12700	12700	12700
Area Harvested (1000 HA)	12918	12918	12500	12500	12700	12500
Beginning Stocks (1000 MT)	472	472	420	420	1100	1454
Production (1000 MT)	10450	10450	11900	11900	11500	11320
MY Imports (1000 MT)	548	548	550	555	450	250
Total Supply (1000 MT)	11470	11470	12870	12875	13050	13024
MY Exports (1000 MT)	32	32	70	61	150	70
Crush (1000 MT)	9500	9500	9500	9200	10000	10000
Food Use Dom. Cons. (1000 MT)	618	618	660	660	685	685
Feed Waste Dom. Cons. (1000 MT)	900	900	1540	1500	1125	1570
Total Dom. Cons. (1000 MT)	11018	11018	11700	11360	11810	12255
Ending Stocks (1000 MT)	420	420	1100	1454	1090	699
Total Distribution (1000 MT)	11470	11470	12870	12875	13050	13024
Yield (MT/HA)	0.8089	0.8089	0.952	0.952	0.9055	0.9056

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

PEANUT

Peanut Production Down from Previous Market Year

The market year 2022/23 peanut production estimate is lowered to 6.6 MMT, down three percent from the previous MY, with a reduced harvested area of 5.4 million hectares. Favorable monsoon rainfall in the growing season in areas of Rajasthan and Uttar Pradesh supported increased yields and have offset crop damage experienced from the untimely September rains in Gujarat and Madhya Pradesh that reduced crop quality. Peanut production area is estimated slightly lower for MY 2022/23 as some farmers switched to cotton and other profitable crops.

Post reduces India's MY 2021/22 crushing to 3.8 MMT due to reduced peanut stocks available for crush. Additionally, MY 2021/22 peanut exports are estimated at 730,000 MT and ending stocks at 538,000 MT accounting for a small drop in available supply as farmers held onto peanut seed to attain favorable pricing. Indonesia has remained the primary export market for India peanuts in the current MY, achieving 43 percent market share, followed by Vietnam (13 percent) and Malaysia (9 percent). New year exports are forecast to remain flat, as millers are likely to increase crush due to greater demand for peanut oil and meal.

Table 4. India: Oilseed, Peanut, Production, Supply and Distribution

Oilseed, Peanut	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	6050	6050	5600	5600	5800	5500
Area Harvested (1000 HA)	6015	6015	5600	5600	5500	5400
Beginning Stocks (1000 MT)	318	318	490	480	555	538
Production (1000 MT)	6700	6700	6800	6800	6650	6600
MY Imports (1000 MT)	2	2	2	3	2	2
Total Supply (1000 MT)	7020	7020	7292	7283	7207	7140
MY Exports (1000 MT)	881	891	732	730	750	750
Crush (1000 MT)	3900	3900	3855	3800	3900	3900
Food Use Dom. Cons. (1000 MT)	1375	1375	1500	1600	1650	1650
Feed Waste Dom. Cons. (1000 MT)	374	374	650	615	470	470
Total Dom. Cons. (1000 MT)	5649	5649	6005	6015	6020	6020
Ending Stocks (1000 MT)	490	480	555	538	437	370
Total Distribution (1000 MT)	7020	7020	7292	7283	7207	7140
Yield (MT/HA)	1.1139	1.1139	1.2143	1.2143	1.2091	1.2222

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

SUNFLOWERSEED

Production Continues to Look Down

India's sunflowerseed production estimate for MY 2022/23 is lowered to 200,000 MT on 245,000 hectares. Untimely, heavy September rainfall in the sunflower growing regions of Karnataka led to yield loss for already a much smaller kharif crop. New year rabi sunflowerseed plantings are also delayed on account of the previous kharif season harvest and reports of wet soils. As of December 9, sunflowerseed plantings have totaled 53,000 ha, a 37 percent drop from the same period last year. A lack of quality sunflowerseed varieties and higher input costs have farmers switching to more profitable crops including soybeans, cotton, and sugarcane.¹⁰

¹⁰ Rabi acreage estimates will be updated in the next oilseeds report.

Table 5. India: Oilseed, Sunflowerseed, Production, Supply and Distribution

Oilseed, Sunflowerseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	250	250	250	250	275	250
Area Harvested (1000 HA)	226	226	250	250	275	245
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	185	185	190	190	215	200
MY Imports (1000 MT)	3	3	3	3	3	3
Total Supply (1000 MT)	188	188	193	193	218	203
MY Exports (1000 MT)	1	1	2	1	2	2
Crush (1000 MT)	165	165	160	160	190	180
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	22	22	31	32	26	21
Total Dom. Cons. (1000 MT)	187	187	191	192	216	201
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	188	188	193	193	218	203
Yield (MT/HA)	0.8186	0.8186	0.76	0.76	0.7818	0.8163

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

MEALS SECTION

SOYBEAN MEAL

Stabilized Pricing and Availability

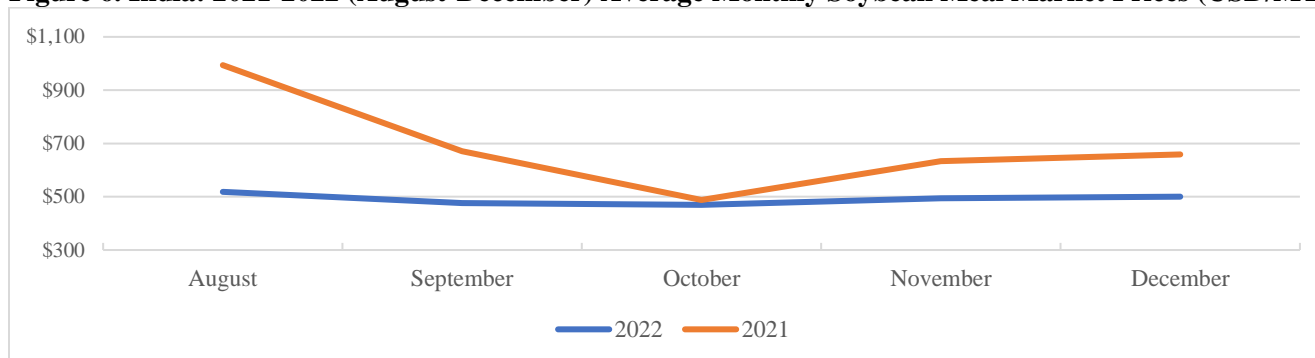
India's MY 2022/23 soybean meal export estimate is lowered to 800,000 MT, yet 21 percent higher than the previous MY figure. Post forecasts stronger export demand from regional markets and the European Union based on renewed competitive pricing and sufficient domestic soybean stocks for crush.

Concurrently, soybean meal imports in the new MY are forecast downward to 100,000 MT as domestic soybean meal prices have stabilized since record highs in August 2021 that led to two Indian government tariff rate quotas (TRQ) for soybean meal imports (Figure 6). Traders filled approximately 34 percent of the Indian government's 550,000 MT tariff TRQ opened from May-September 2022, and the Indian government is not likely to open another in MY 2022/23.¹¹

Despite sufficient domestic supply in the near term, growing animal feed demand from India's livestock and poultry industry and an increase in oil meal exports may again lead to high soybean meal prices in the latter half of the new marketing year. Soybean meal prices stabilized in the latter half of MY 2021/22, reaching \$518/MT (ex-Indore) in August 2022 supported in part by imports, all the while some producers held onto stocks to attain favorable pricing later in the market year. Between August-December 2022, prices have remained steady due to ample supply and have fallen below 2021 levels, despite a weaker Indian rupee (Figure 6).

¹¹ See: USDA GAIN, Indian government resumes GM-origin soybean meal imports; [IN2022-0048](#).

Figure 6. India: 2021-2022 (August-December) Average Monthly Soybean Meal Market Prices (USD/MT)



Data Source: Agriwatch

Note: Average soybean meal prices ex-Indore (Jute).

Table 6. India: Meal, Soybean, Production, Supply and Distribution

Meal, Soybean	2020/2021		2021/2022		2022/2023	
	Oct 2020		Oct 2021		Oct 2022	
Market Year Begins	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush (1000 MT)	9500	9500	9500	9200	10000	10000
Extr. Rate, 999.9999 (PERCENT)	0.8	0.8	0.8	0.7989	0.8	0.8
Beginning Stocks (1000 MT)	416	416	177	177	752	487
Production (1000 MT)	7600	7600	7600	7350	8000	8000
MY Imports (1000 MT)	236	236	650	645	100	100
Total Supply (1000 MT)	8252	8252	8427	8172	8852	8587
MY Exports (1000 MT)	2025	2025	650	660	1200	800
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	350	350	415	415	405	420
Feed Waste Dom. Cons. (1000 MT)	5700	5700	6610	6610	6600	6900
Total Dom. Cons. (1000 MT)	6050	6050	7025	7025	7005	7320
Ending Stocks (1000 MT)	177	177	752	487	647	467
Total Distribution (1000 MT)	8252	8252	8427	8172	8852	8587

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

PEANUT MEAL

Peanut meal production in MY 2022/23 is forecast unchanged at 1.64 MMT. Reduced crush in the previous MY led to a minor drop in exports, which remain insignificant. India's peanut meal export estimate in the new MY is also retained at 25,000 metric tons. Peanut meal exports typically move in tandem on export demand for peanut oil, particularly from China.

Table 7. India: Meal, Peanut, Production, Supply and Distribution

Meal, Peanut	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	3900	3900	3855	3855	3900	3900
Extr. Rate, 999.9999 (PERCENT)	0.4197	0.4197	0.4189	0.4125	0.4192	0.4192
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	1637	1637	1615	1590	1635	1635
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1637	1637	1615	1590	1635	1635
MY Exports (1000 MT)	40	40	15	11	25	25
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	5	5	5	5	5	5
Feed Waste Dom. Cons. (1000 MT)	1592	1592	1595	1574	1605	1605
Total Dom. Cons. (1000 MT)	1597	1597	1600	1579	1610	1610
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	1637	1637	1615	1590	1635	1635

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

SUNFLOWERSEED MEAL

India's sunflowerseed meal production in MY 2022/23 is forecast to remain unchanged at 88,000 MT based on limited sunflowerseed production and a subsequent drop in crush. Imports are estimated to remain flat at 180,000 MT in MY 2022/23. Typically used as an input in ruminant feed, sunflowerseed meal is imported in small quantities at competitively priced rates.

Table 8. India: Meal, Sunflowerseed, Production, Supply and Distribution

Meal, Sunflowerseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	165	165	160	160	190	180
Extr. Rate, 999.9999 (PERCENT)	0.4848	0.4848	0.4875	0.4875	0.4789	0.4889
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	80	80	78	78	91	88
MY Imports (1000 MT)	104	104	180	187	175	180
Total Supply (1000 MT)	184	184	258	265	266	268
MY Exports (1000 MT)	1	0	1	0	1	1
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	0	0	0	0	0	0
Feed Waste Dom. Cons. (1000 MT)	183	184	257	265	265	267
Total Dom. Cons. (1000 MT)	183	184	257	265	265	267
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	184	184	258	265	266	268

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

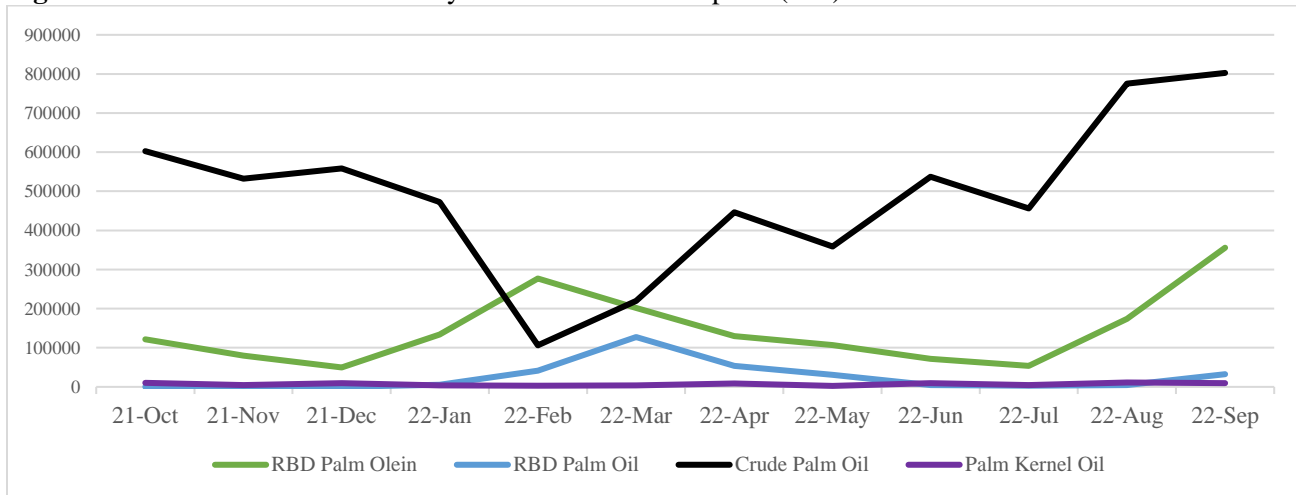
OILS SECTION

PALM OIL

Palm Again Reigns Supreme

Indonesia's CPO export restrictions in May 2022 briefly impacted the volume of India's palm oil imports. Higher CPO prices first experienced in February 2022 led to greater competition from other edible oils, namely soybean oil and rapeseed-mustard. However, oversupply of CPO in Indonesia pressuring palm oil prices led to an uptick in imports in the latter half of the market year. This was buoyed by the Indian government's extension of low concessional duties on CPO and the removal of stock limits that partially stabilized retail pricing during the festive season. India also increased both RBD palm olein imports (Figure 7) in the latter half of MY 2021/22 due to a narrowing price spread against CPO and a narrow difference in the import duties.¹²

Figure 7. India: MY 2021/22 Monthly Palm Oil Product Imports (MT)



Data Source: Trade Data Monitor.

Despite the previous MY turbulence, CPO's favorable pricing against competing oils will continue to support a massive increase in imports, which is forecast to reach 8.7 MMT in the new marketing year. For market year 2021/22, post lowers India's CPO imports to 8.0 MMT, a five percent drop that reflects the higher CPO prices from February 2022, in addition to the Indonesian palm oil restrictions in May. Indonesian and Malaysian palm replaced some of the market share of sunflowerseed oil from the Black Sea that consists of India's edible import basket. India will continue to import sufficient palm oil to meet its domestic needs until and if local cultivation comes online following the government's palm oil investments that began in 2021.

¹² Presently, India's CPO import duty is five percent, against 12.5 percent for RBD palm olein.

Table 9. India: Oil, Palm, Production, Supply and Distribution

Oil, Palm	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (1000 HA)	0	0	0	0	0	0
Area Harvested (1000 HA)	80	80	80	80	80	80
Beginning Stocks (1000 MT)	1346	1346	815	817	745	750
Production (1000 MT)	273	273	291	291	291	291
MY Imports (1000 MT)	8411	8413	7800	8004	8730	8730
Total Supply (1000 MT)	10030	10032	8906	9112	9766	9771
MY Exports (1000 MT)	1	1	15	16	0	0
Industrial Dom. Cons. (1000 MT)	375	375	346	346	346	346
Food Use Dom. Cons. (1000 MT)	8839	8839	7800	8000	8700	8700
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	9214	9214	8146	8346	9046	9046
Ending Stocks (1000 MT)	815	817	745	750	720	725
Total Distribution (1000 MT)	10030	10032	8906	9112	9766	9771
Yield (MT/HA)	3.4125	3.4125	3.6375	3.6375	3.6375	3.6375

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

SOYBEAN OIL

Post has revised India's MY 2021/22 soybean oil import estimate to 4.23 MMT based on soybean oil's competitively price against high CPO prices in the first half of the MY, and a drop in sunflowerseed oil supply from the Black Sea. Post's soybean oil import forecast for MY 2022/23 remains unchanged at 3.4 MMT. Following its bull run during a tumultuous MY when soybean prices reached over \$2,000/MT, oil prices have since stabilized, and imports are forecast to drop in the near term due to discounted palm oil and increased domestic crush, which is estimated at 10 MMT for the new marketing year. The Indian government's concessional duty reduction on soybean oil, in addition to its 2 MMT TRQ for crude soybean oil increased soybean oil stocks and lowered market prices.¹³ Argentina and Brazil were the primary suppliers of soybean oil to India in MY 2021/22, which included an uptick of U.S.-origin soybean oil, and imports could remain bullish based on recovered domestic consumption.

For market year 2022/23, India's soybean oil production remains unchanged at 1.8 MMT, due to expected growth in crush although oil yield may be impacted by reduced seed quality following heavy, late season rainfall at harvest. Soybean oil is the primary cooking oil used for household consumption whose growth will remain driven by affordable pricing against other oils.

¹³ The TRQ is for both sunflowerseed oil and soybean oil for Indian fiscal years (April-March) 2022/23 and 2023/24.

Table 10. India: Oil, Soybean, Production, Supply and Distribution

Oil, Soybean	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	9500	9500	9500	9200	10000	10000
Extr. Rate, 999.9999 (PERCENT)	0.18	0.18	0.18	0.1793	0.18	0.18
Beginning Stocks (1000 MT)	137	137	132	137	102	177
Production (1000 MT)	1710	1710	1710	1650	1800	1800
MY Imports (1000 MT)	3246	3251	4100	4230	3350	3350
Total Supply (1000 MT)	5093	5098	5942	6017	5252	5327
MY Exports (1000 MT)	11	11	15	15	15	15
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	4950	4950	5825	5825	5100	5200
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	4950	4950	5825	5825	5100	5200
Ending Stocks (1000 MT)	132	137	102	177	137	112
Total Distribution (1000 MT)	5093	5098	5942	6017	5252	5327

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

PEANUT OIL

Post estimates India's peanut oil production in MY 2021/22 lower at 1.25 MMT because of reduced demand from China and a drop in crush. With a forecasted increase in crush for MY 2022/23, availability of domestic peanut oil will support exports, particularly to China. Higher peanut oil usage in the restaurant and catering sector as a preferred frying oil will support domestic consumption. Although exports are minimal, reduced COVID-19 restrictions in China suggest a possible increase in demand.

Table 11. India: Oil, Peanut, Production, Supply and Distribution

Oil, Peanut	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	3900	3900	3855	3800	3900	3900
Extr. Rate, 999.9999 (PERCENT)	0.329	0.329	0.3302	0.3289	0.3308	0.3308
Beginning Stocks (1000 MT)	295	295	190	190	218	190
Production (1000 MT)	1283	1283	1273	1250	1290	1290
MY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1578	1578	1463	1440	1508	1480
MY Exports (1000 MT)	218	218	50	40	110	120
Industrial Dom. Cons. (1000 MT)	10	10	10	10	10	10
Food Use Dom. Cons. (1000 MT)	1160	1160	1185	1200	1160	1200
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	1170	1170	1195	1210	1170	1210
Ending Stocks (1000 MT)	190	190	218	190	228	150
Total Distribution (1000 MT)	1578	1578	1463	1440	1508	1480

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

SUNFLOWERSEED OIL

Despite the Russian invasion of Ukraine, India's sunflowerseed imports in MY 2021/22 remained flat against MY 2020/21 as importers sourced greater quantities of sunflowerseed oil from non-traditional markets, particularly Argentina. Despite the drop in trade from Ukraine that began in April, late season arrivals of sunflower oil from Ukraine have since resumed, albeit in smaller quantities, but at competitive pricing. Higher ending stocks are estimated at 211,000 MT due to a high sunflowerseed oil prices during the festive season, in addition to market uncertainty caused by the war.

Due to low crush expected from a drop in the domestic sunflowerseed harvest, India's sunflowerseed oil production in the new MY is forecast to remain negligible. India's sunflowerseed import forecast is forecast at 1.8 MMT, eight percent lower than MY 2021/22.

Table 12. India: Oil, Sunflowerseed, Production, Supply and Distribution

Oil, Sunflowerseed	2020/2021		2021/2022		2022/2023	
Market Year Begins	Oct 2020		Oct 2021		Oct 2022	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush (1000 MT)	165	165	160	160	190	180
Extr. Rate, 999,9999 (PERCENT)	0.3758	0.3758	0.375	0.375	0.3368	0.3333
Beginning Stocks (1000 MT)	390	390	106	106	160	211
Production (1000 MT)	62	62	60	60	64	60
MY Imports (1000 MT)	1958	1958	1900	1955	1800	1800
Total Supply (1000 MT)	2410	2410	2066	2121	2024	2071
MY Exports (1000 MT)	4	4	6	10	4	8
Industrial Dom. Cons. (1000 MT)	0	0	0	0	0	0
Food Use Dom. Cons. (1000 MT)	2300	2300	1900	1900	1850	1900
Feed Waste Dom. Cons. (1000 MT)	0	0	0	0	0	0
Total Dom. Cons. (1000 MT)	2300	2300	1900	1900	1850	1900
Ending Stocks (1000 MT)	106	106	160	211	170	163
Total Distribution (1000 MT)	2410	2410	2066	2121	2024	2071

Data source: OAA New Delhi historical data series. Post estimates for 2020/21, 2021/22, and 2022/23.

Attachments:

No Attachments