

Commodity Profile of Edible Oil for May - 2016

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1. Edible Oil estimates for India (marketing year- November 2015- October 2016)

(Unit: Million Tonnes)

Table 1: Production, Stocks, Trade and Availability of Edible Oils				
2014-15	2015-16 Estimates*		Mar, 2016	Source
9.80	9.54	Production	-	DVVOF
14.35	11.96	Imports	6.59**	DOC
24.15	21.50	Availability	-	
0.59	0.55	Export and Industrial use	-	DVVOF
23.56	20.95	Total Available for domestic consumption	-	

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

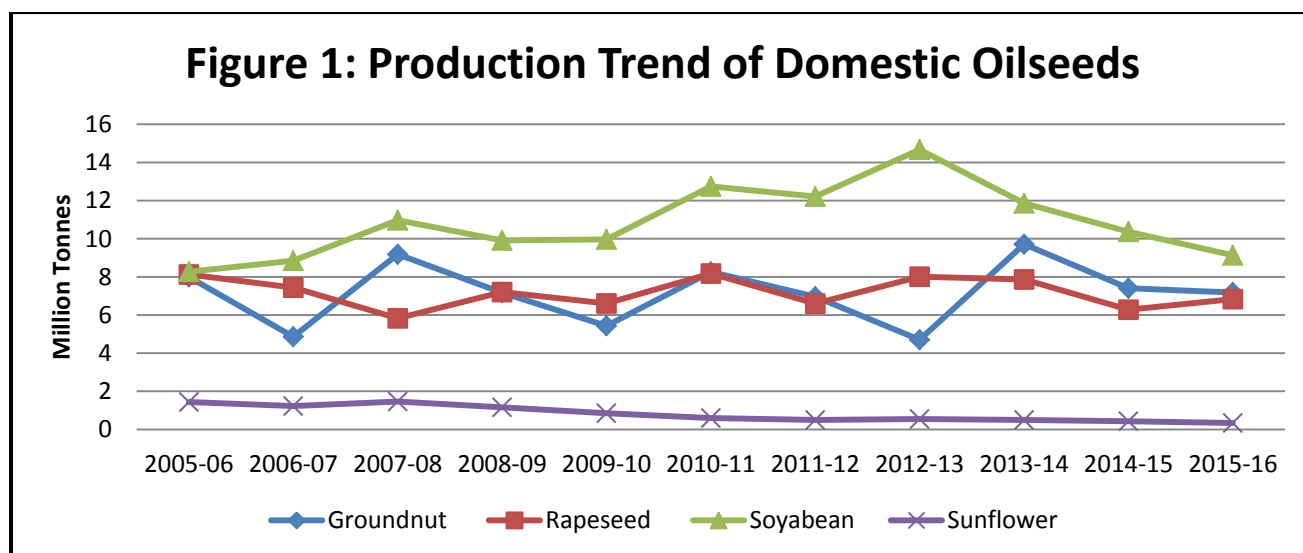
*For 2015-16 estimates, production and export & industrial use as estimated by Directorate of Vanaspati, Vegetable oil and Fats (DVVOF) and import is last 3 years average from DGCI&S, Kolkata.

**Figure of import is for the period Nov-Mar, 2015-16.

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

- The estimated figure indicates that domestic production (i.e 9.54 million MT) of edible oils in 2015-16 may be less than that of actual production (i.e 9.80 million MT) in 2014-15.

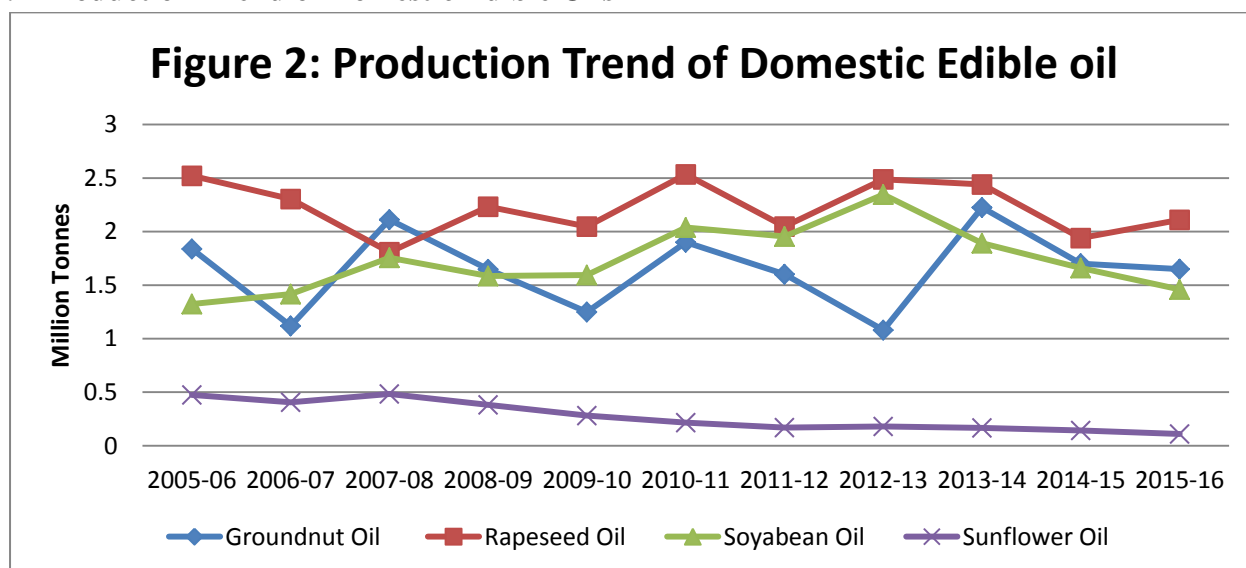
2. Production Trend of Domestic Oilseeds



Source: Directorate of Economics and Statistics

- India's Soybean production has increased in the last 10 years at CAGR of 1 percent.
- Production of Groundnut increased substantially from 4.7 million 2012-13 to 7.4 million tonnes 2014-15 showing a growth of about 57%. However, production is estimated to be at 6.89 million tons in 2015-16.

3. Production Trend of Domestic Edible Oils

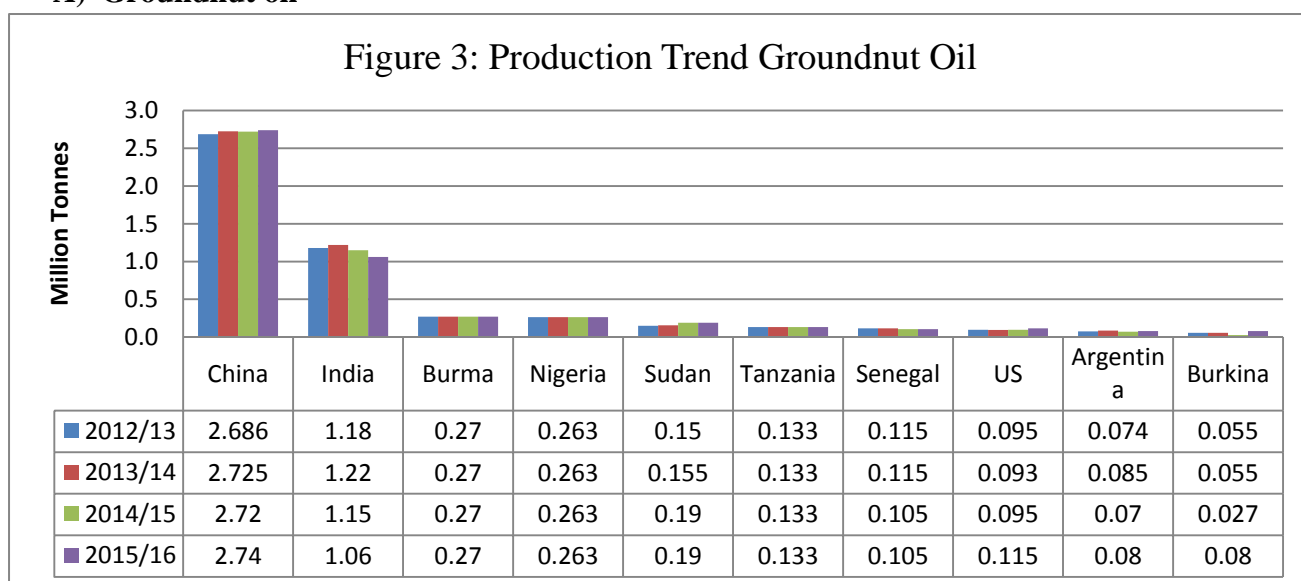


Source: Directorate of Vanaspati, Vegetable oil and Fats (DVVOF)

- Soybean oil production has increased in the last 10 years at CAGR of 1 percent.
- Rapeseed oil production increased from 1.94 Million MT from 2014-15 to 2.11 Million MT in 2015-16.

4. Global Production Trend of Major Edible Oils

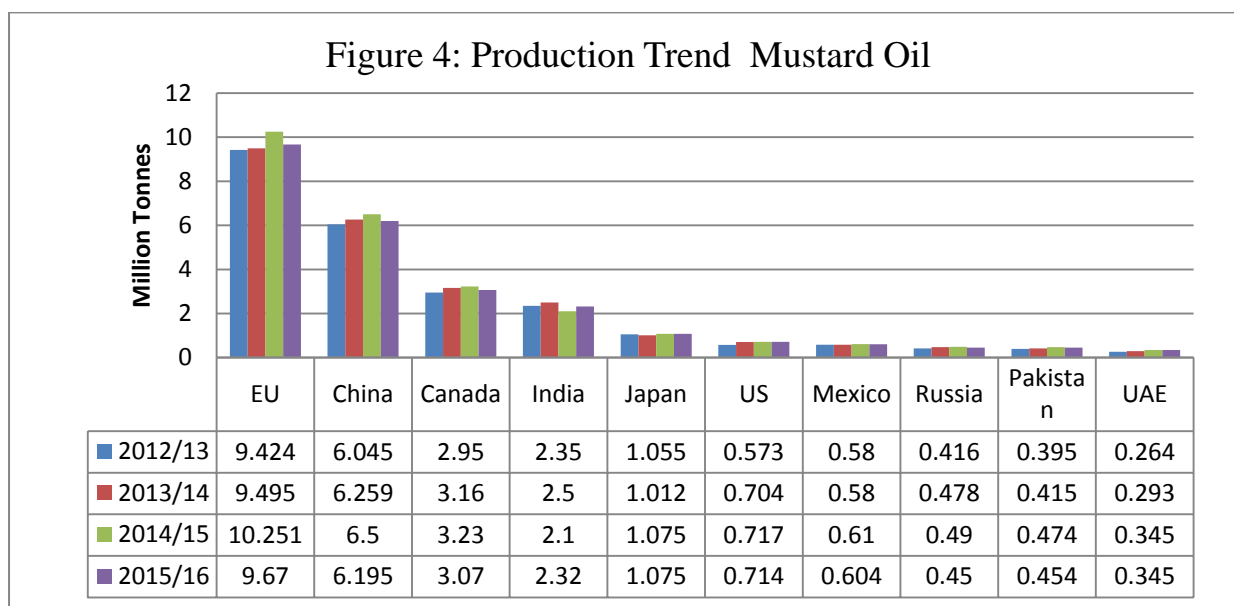
A) Groundnut oil



Source: United States Department of Agriculture

- China is expected to be the top producer followed by India and Burma in 2015-16.
- India's share in global production of Groundnut Oil in 2015-16 may be around 20 percent.

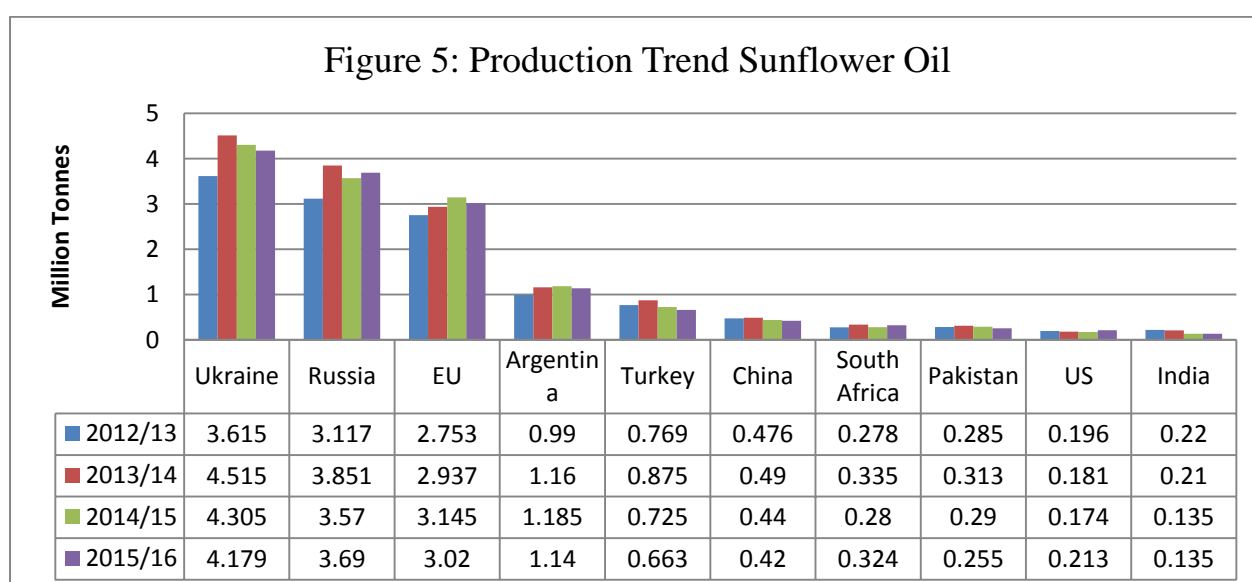
B) Mustard Oil



Source: United States Department of Agriculture

- European Union (EU) is expected to be the top producer followed by China and Canada in 2015-16. India may be the fourth largest producer.
- India's share in global production of mustard oil in 2015-16 may be around 9.0 percent.

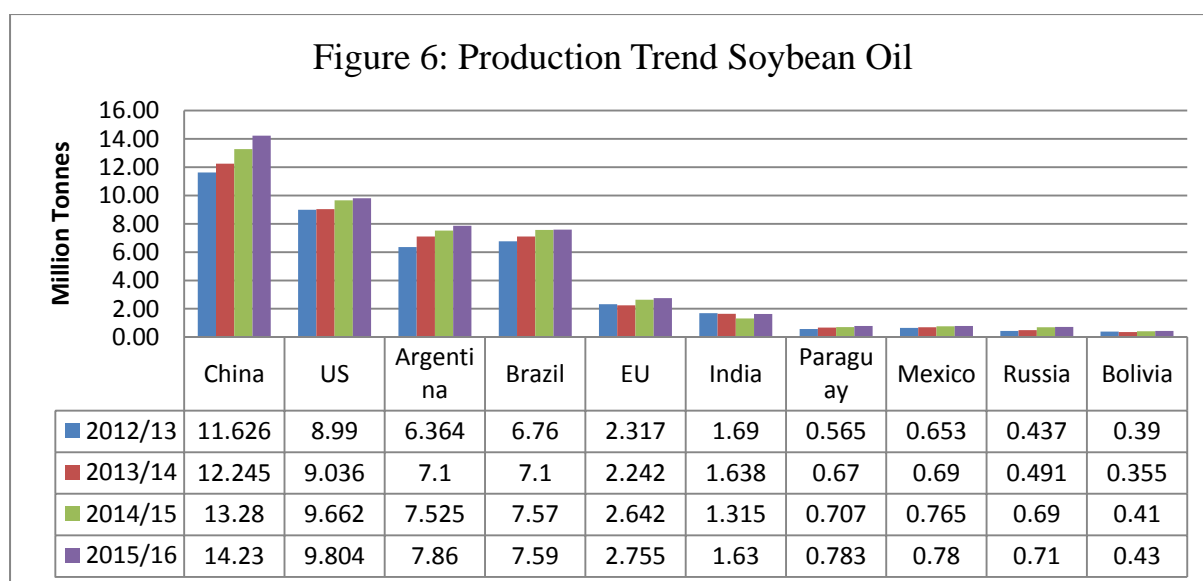
C) Sunflower oil



Source: United States Department of Agriculture

- Ukraine is expected to be the largest producer followed by Russia and EU in 2015-16. India may be at the 10th position in global producer.
- India's share in global production of sunflower oil in 2015-16 may be around 1.0 percent.

D) Soybean oil

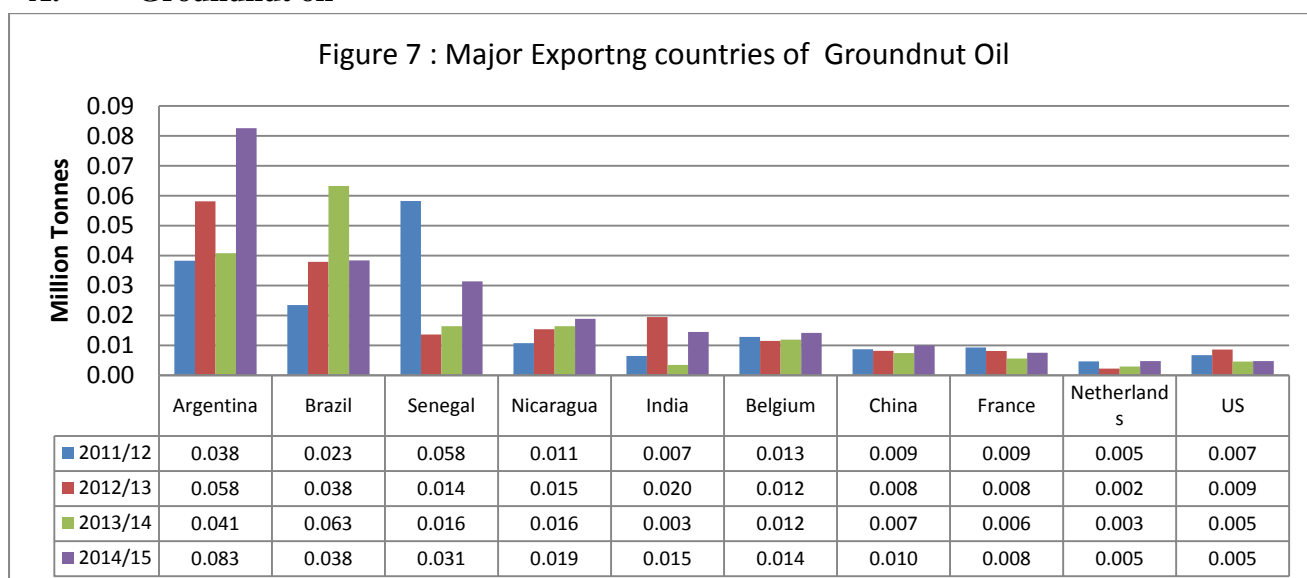


Source: United States Department of Agriculture

- China, United States, Argentina and Brazil are expected to be the key producers of Soybean oil in 2015-16.
- India's share in global production of Soybean Oil in 2015-16 may be around 3.5 percent.

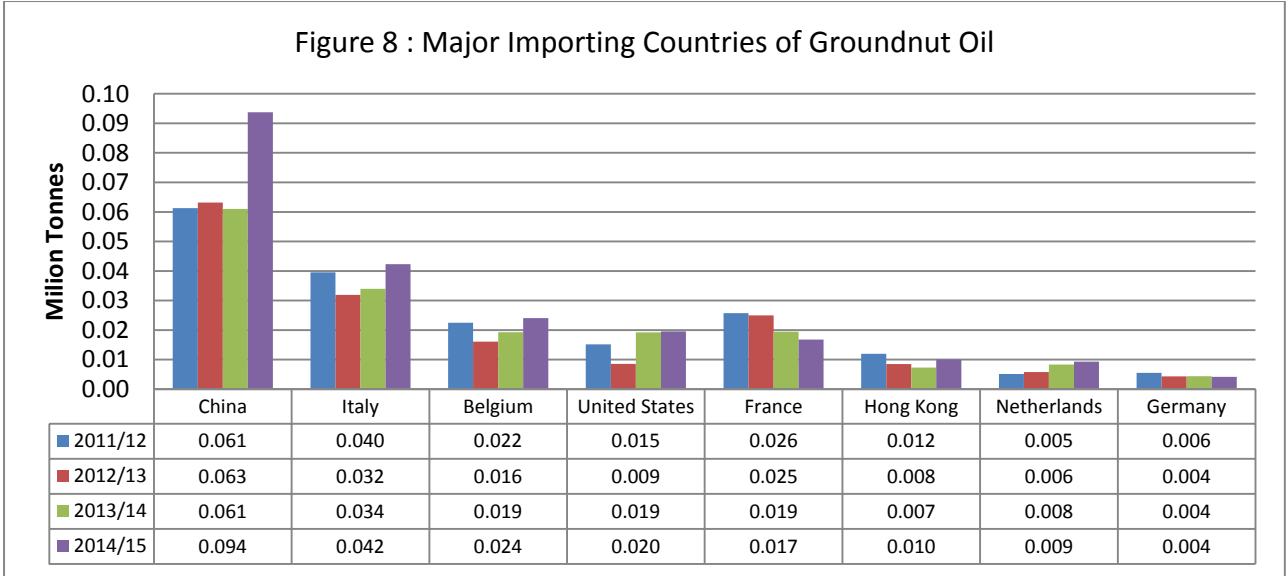
5. Major Exporting and Importing Countries of Edible Oils

A. Groundnut oil



Source: Comtrade

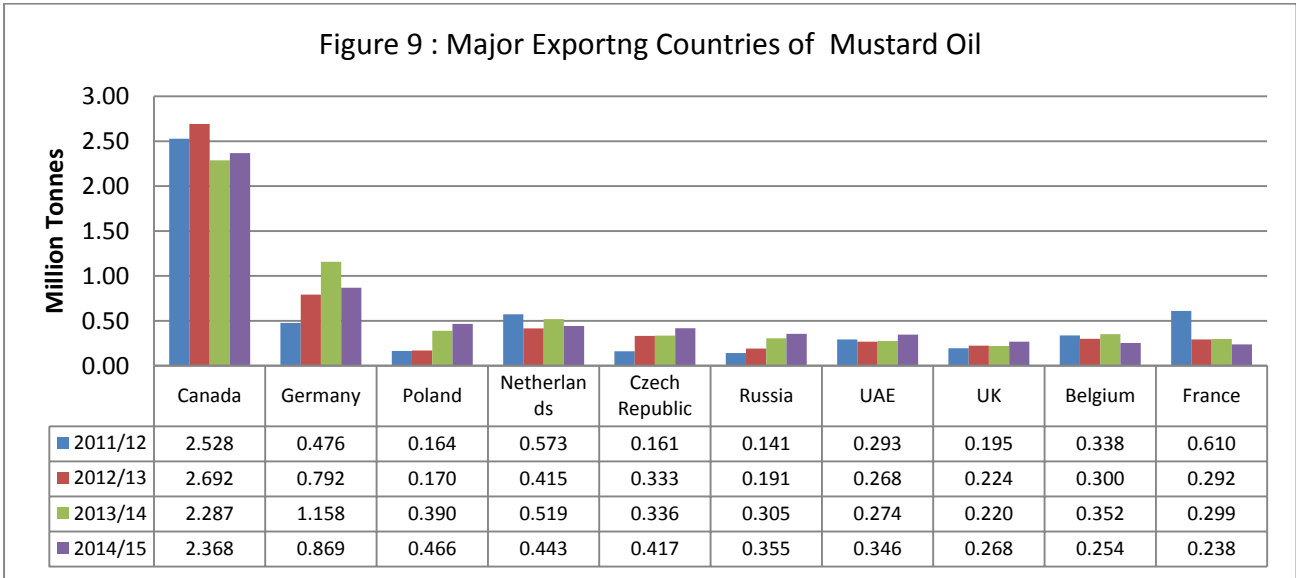
- Argentina and Brazil were the top two exporting countries of Groundnut oil in 2014-15. India was the 5th largest exporting country of groundnut oil in the world in 2014-15.



Source: Comtrade

- China and Italy were the major importing country of groundnut oil in 2014-15.

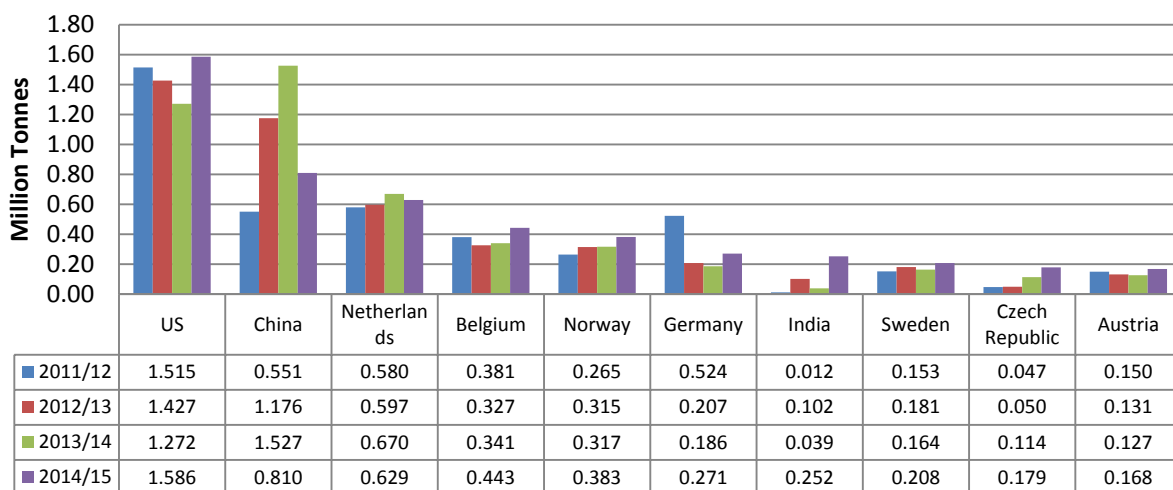
B. Mustard oil



Source: Comtrade

- Canada was the largest exporter of Mustard oil in the world followed by Germany and Poland in 2014-15.

Figure 10 : Major Importing Countries of Mustard Oil

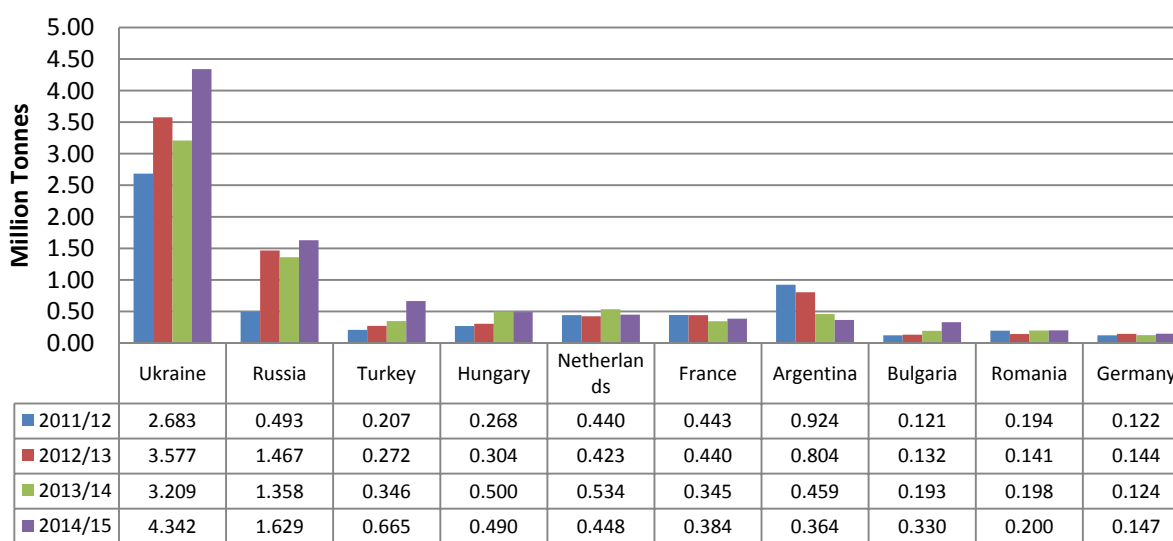


Source: Comtrade

- The US and China were the leading importing countries of Mustard oil in the world. India was the 7th largest importing country in 2014-15.

C. Sunflower oil

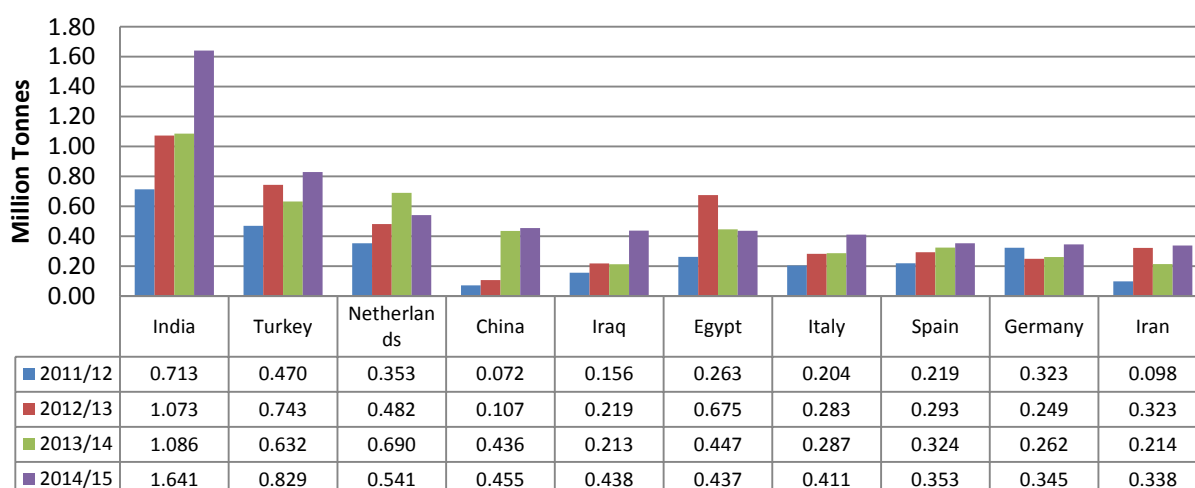
Figure 11 : Major Exporting Countries of Sunflower Oil



Source: Comtrade

- Ukraine and Russia were the top two global exporters of sunflower oil during 2014-15.

Figure 12 : Major Importing Countries of Sunflower Oil

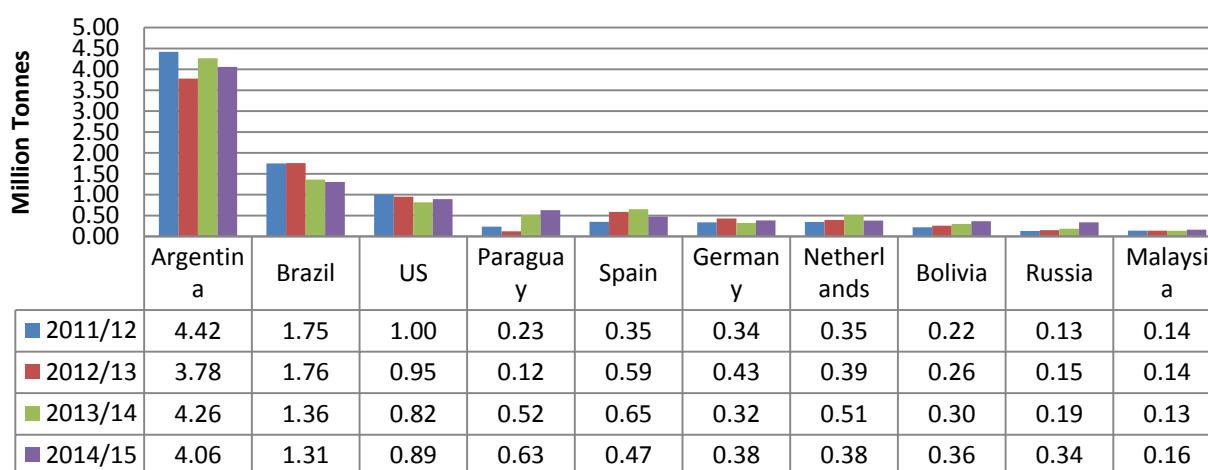


Source: Comtrade

- India was the largest importer of Sunflower oil followed by Turkey, Netherland and China during 2014-15.
- There is a secular increase in the importation of Sunflower oil of China.

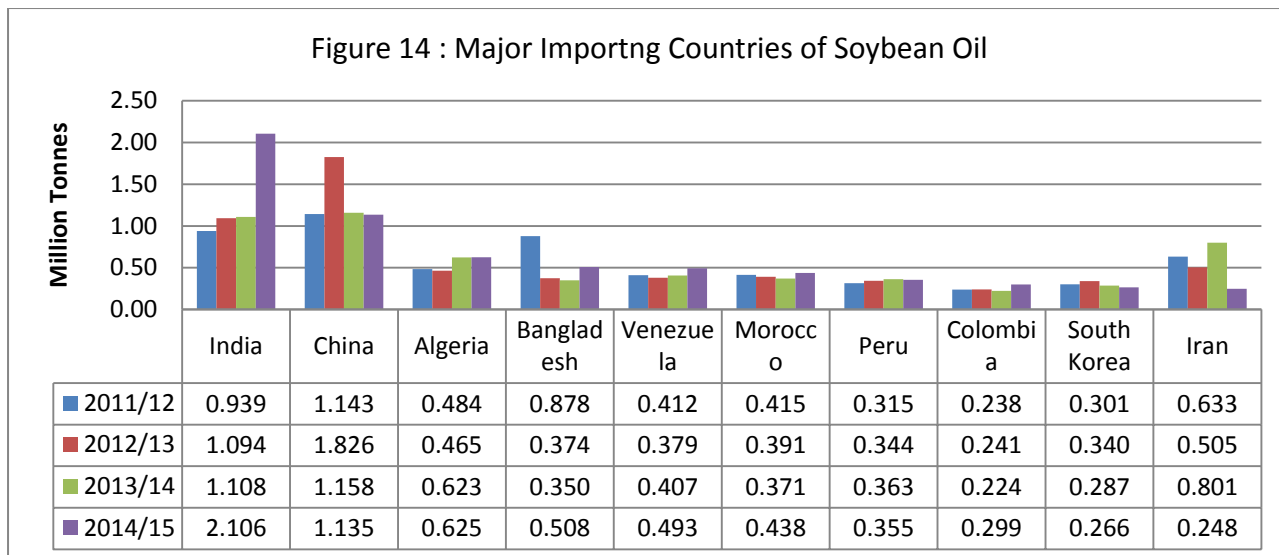
D. Soybean oil

Figure 13 : Major Exporting Countries of Soybean Oil



Source: Comtrade

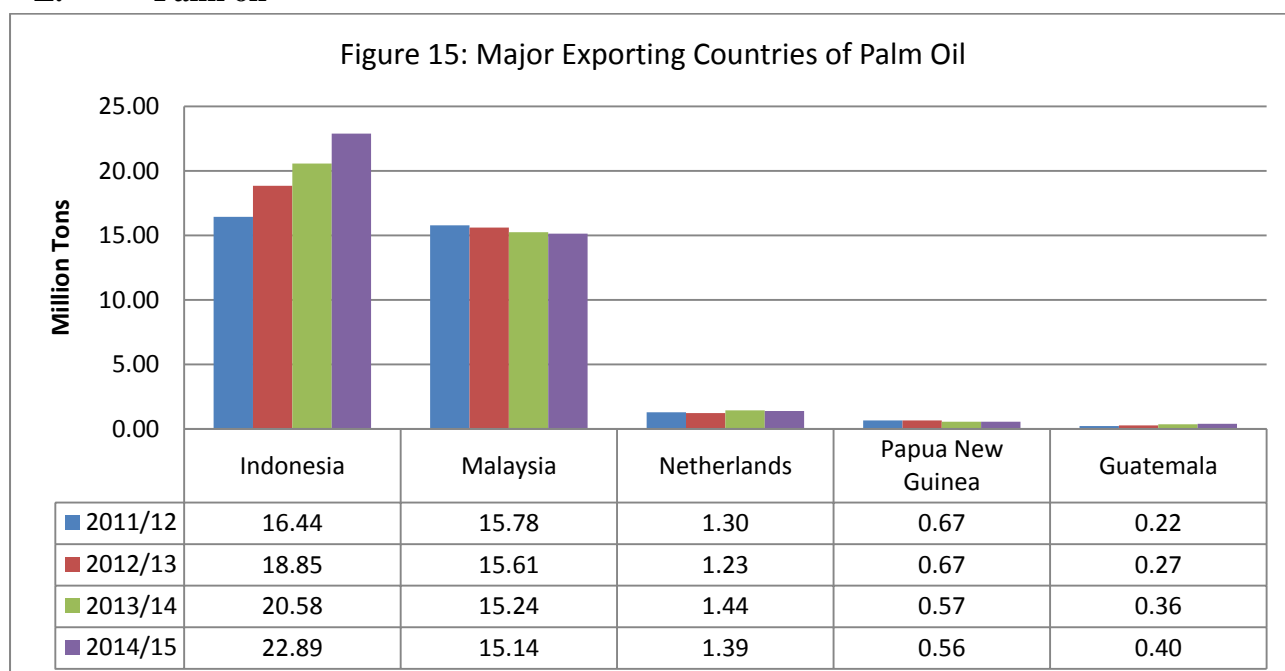
- Argentina was the largest exporting country in the world followed by Brazil, US, and Paraguay during 2014-15.



Source: Comtrade

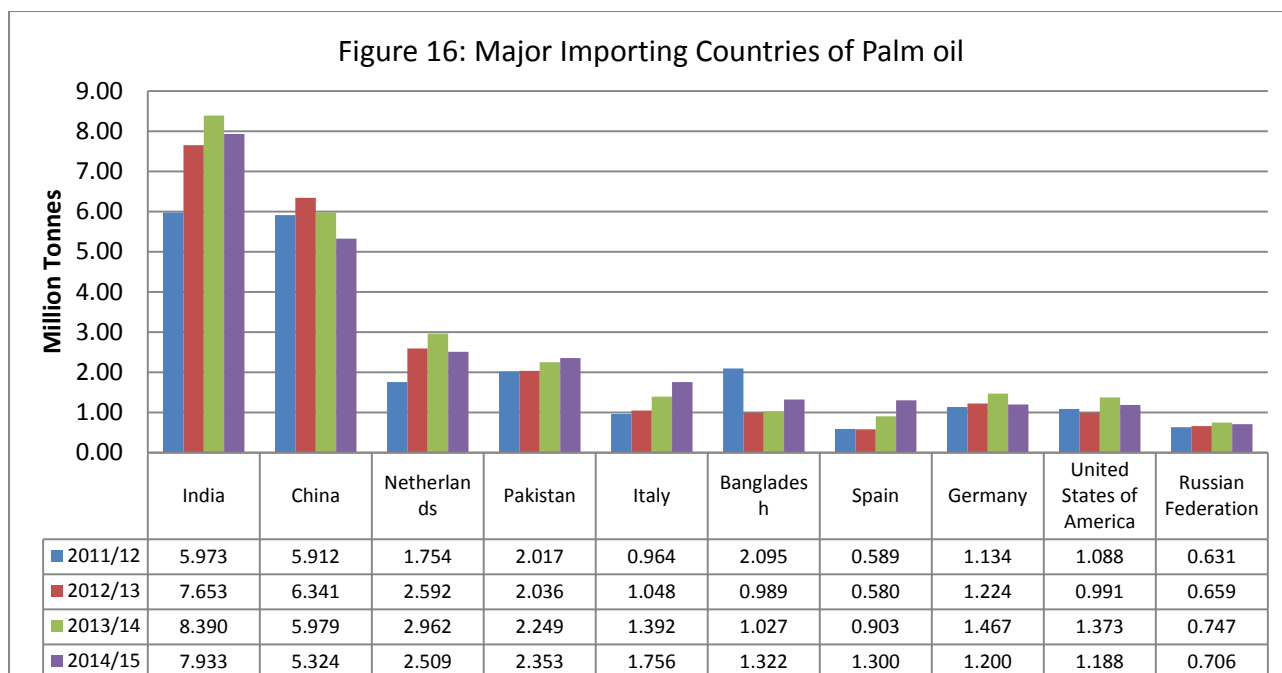
- India was the largest importer of soybean oil that constituted 17.55 percent of the global import in the year 2014-15.

E. Palm oil



Source: Comtrade

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



Source: Comtrade

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

6. India's import of major edible oils

(Million Tonnes)

Table 2: India's Import of Major Edible Oils during 2011-12 to 2015-16

Year	Soybean Oil	Palm Oil	Sunflower Oil
2011-12	0.8	6.5	0.8
2012-13	1.1	8.4	1.1
2013-14	1.3	7.6	1.1
2014-15	2.3	8.1	1.7
2015-16(April-Feb)	3.5	9.0	1.3

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 70-80 percent.

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

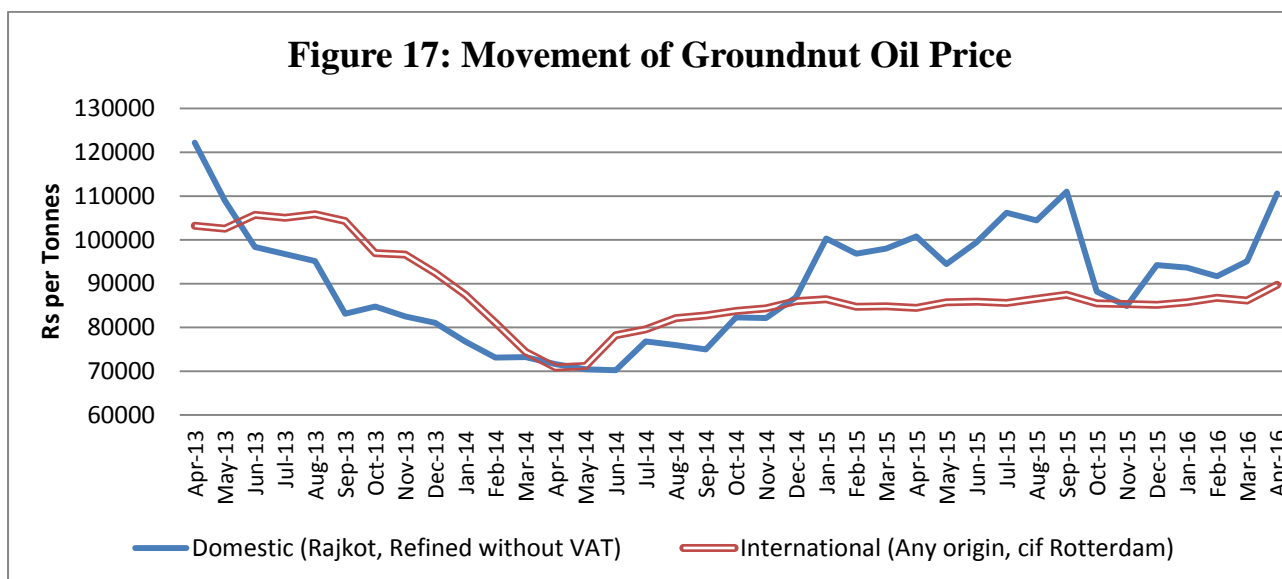
Table 3: India's Top Import Sources of Palm, Soya and Sunflower Oils

Edible Oils	Import Source
Soybean Oil	Argentina and Brazil
Palm Oil	Indonesia and Malaysia
Sunflower	Ukraine and Mexico

Source: Department of Commerce

8. Movement of Domestic and International Edible Oils Prices

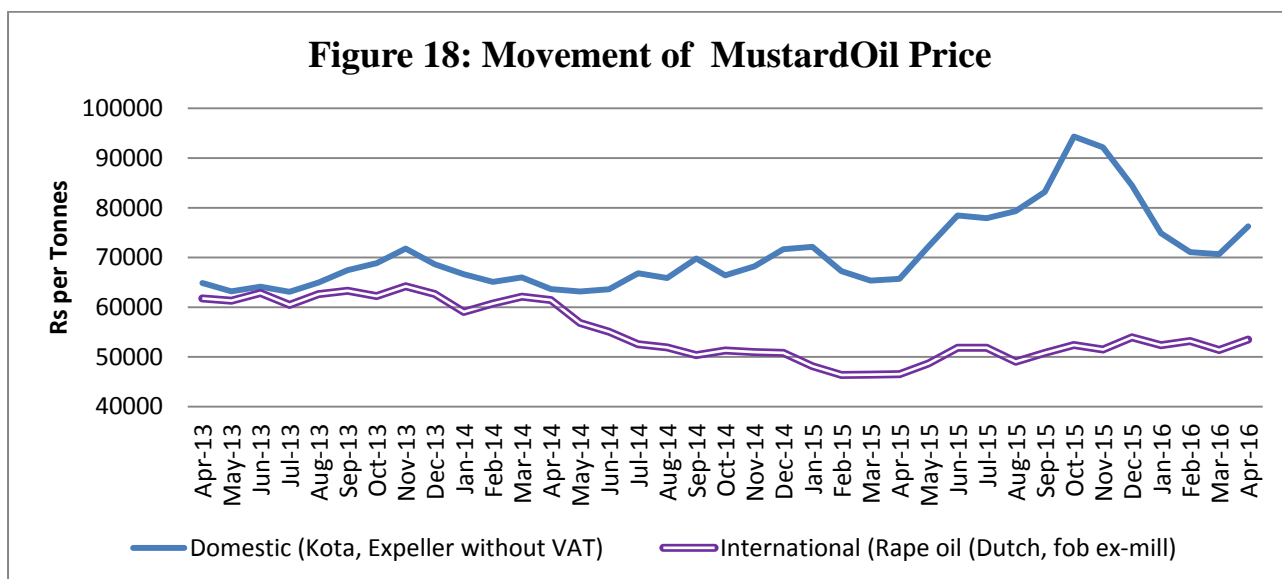
I. Groundnut oil



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

- Domestic prices of Groundnut oil are lower than that of International prices during June 2013 to April 2014 and June 2014 to December 2014.

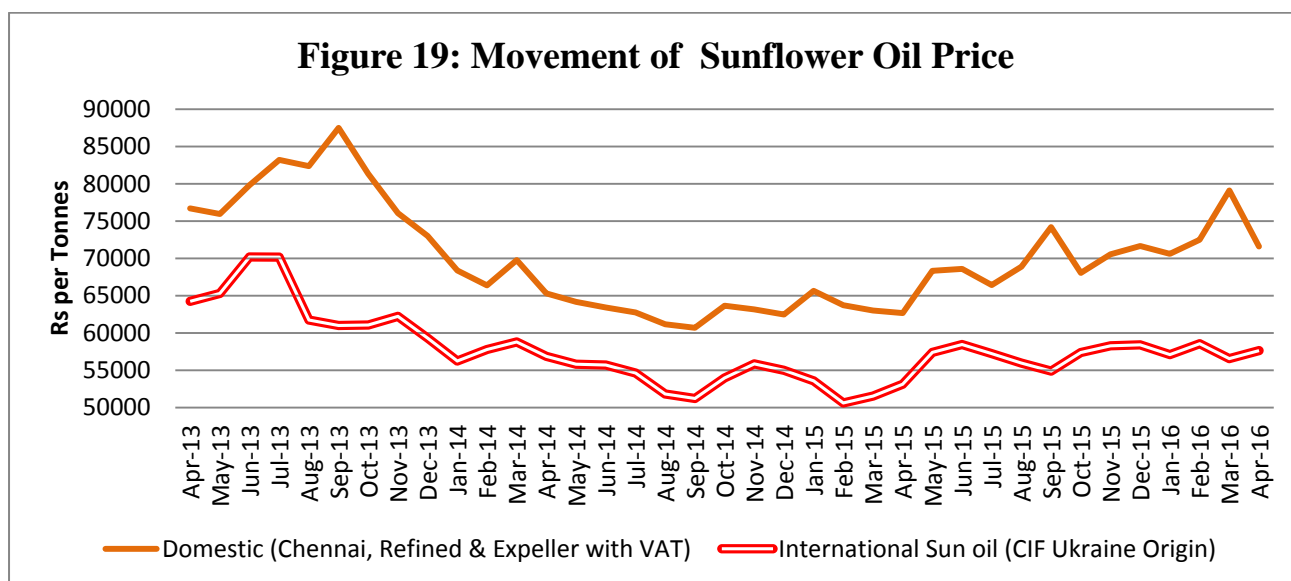
II. Mustard oil



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.

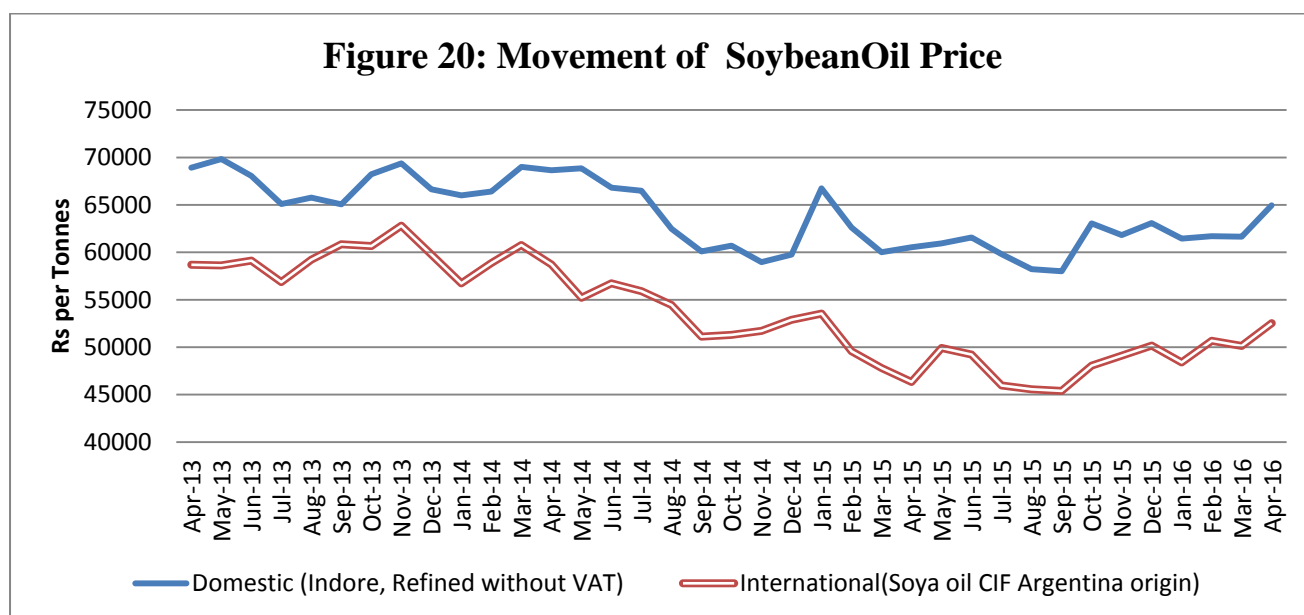
III. Sunflower oil



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

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

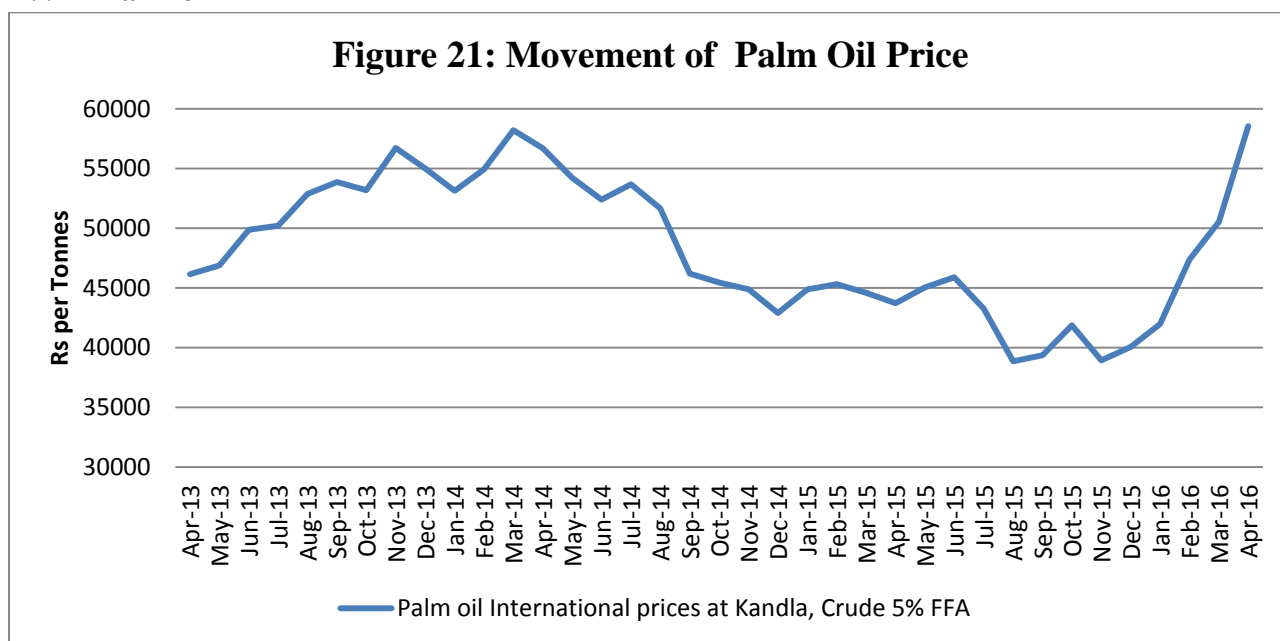
IV. Soybean oil



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 increasing trend from November 2015.

9. Domestic future prices of Soya bean and Palm oil

Unit: Rs/Quintal

Table – 4: Soya bean oil future prices

Contract Month	As on 05.05.16	Week ago 28.04.16	Month ago 5.04.16	3 Months ago 05.02.15	6 Months ago 05.11.15	Year ago 05.05.15	% Change over previous year
May-16	6390	6490	6574	6130.5	6246	5936.5	7.64
June-16	6504	6586	6592	6130	6186	5959	9.15
July-16	6512.5	6582	6610	6119.5	6139	5869.5	10.95
Aug-16	6510	6578.5	6627	6131.5	-	6024.5	8.06

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

Table – 5: Crude Palm oil future prices

Contract Month	As on 05.05.16	Week ago 28.04.16	Month ago 05.04.16	3 Months ago 05.2.16	6 Months ago 05.11.15	Year ago 05.05.15	% Chang over 6 months
May-16	5485	5486	5550	4700	4250	-	29.06
June-16	5333	5395	5588	4695	4250	-	25.48
July -16	5333	5395	5588	4695	4250	-	25.48

Source: Multi Commodity Exchange of India Ltd

- Domestic future price for Crude Palm oil is expected to increase over the six months.

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

Unit: USD/Tonnes

Contract Month	As on 05.05.16	Week ago 28.04.16	Month ago 05.04.16	3 Months ago 05.02.16	6 Months ago 05.11.15	Year ago 05.05.15	% Change over previous year
May -16	705.69	728.62	749.34	693.79	628.75	724.87	-2.65
Jul -16	711.2	733.47	755.08	698.86	632.94	728.62	-2.39
Aug-16	713.85	735.9	757.28	699.52	634.7	728.84	-2.06
Sept-16	716.94	738.76	759.71	700.18	635.59	729.06	-1.66
Oct-16	719.8	741.19	761.03	699.52	635.37	728.18	-1.15
Dec-16	725.31	745.82	764.56	700.4	613.54	731.27	-0.81

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

Unit: USD/Tonnes

Contract Month	As on 06.05.16	Week ago 29.04.16	Month ago 06.04.16	3 Months ago 06.02.15	6 Months ago 06.11.15	Year ago 06.05.15	% Change over previous year
May -16	657.76	658.47	689.58	621.42	567.91	623.53	5.49
Jul -16	657.51	664.1	690.6	608.66	567.91	631.65	4.09
Sept-16	645.28	656.16	672.2	599.28	566.52	613.17	5.24
Nov-16	638.29	649.5	656.62	596.87	515.44	610.92	4.48

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

11. Trade Policy

11.1 Import Policy

HS Code	Item Description	Policy Conditions	Remarks
1507	Soya-bean oil and its fractions, whether or not refined, but not chemically modified		
1507 10 00	Crude, whether or not degummed	Free	
1507 90	Other:		
1507 90 10	Edible grade	Free	
1507 90 90	Other	Free	
1508	Groundnut Oil and its fractions, whether or not refined but not chemically modified		
1508 10 00	Crude	Free	
1508 90	Other:		
1508 90 10	Deodorized (Salad Oil)	Free	
	Other :		
1508 90 91	Edible Grade	Free	
1508 90 99	Other	Free	
1509	Olive Oil and its fractions, whether or not refined but not chemically modified		
1509 10 00	Virgin	Free	

1509 90	Other:		
1509 90 10	Edible grade	Free	
1509 90 90	Other	Free	
1510	Other Oils and their fractions, obtained, solely from olives, whether or not refined, but not chemically modified, including blends of these oils or fractions with oils or fractions of heading 1509		
1510 00 10	Crude oil	Free	
1510 00 91	Edible Grade	Free	
1510 00 99	Other	Free	
1511	Palm Oil and its fractions, whether or not refined, but not chemically modified		
1511 10 00	Crude	Free	Import not permitted through any port in Kerala.
1511 90	Other:		
1511 90 10	Refined bleached deodorised palm oil	Free	Import not permitted through any port in Kerala.
1511 90 20	Refined bleached deodorized palmolein	Free	Import not permitted through any port in Kerala.
1511 90 90	Other	Free	Import not permitted through any port in Kerala.
1512	Sunflower Seed, Safflower or Cotton Seed Oil and their fractions thereof, whether or not refined, but not chemically modified		
	Sunflower Seed or Safflower Oil and fractions thereof :		
1512 11	Crude Oil:		
1512 11 10	Sunflower Seed Oil	Free	
1512 11 20	Safflower Seed Oil (Kardi Seed Oil)	Free	
1512 19	Other:		
1512 19 10	Sunflower oil, edible grade	Free	
1512 19 20	Sunflower oil, non-edible grade(other than crude oil)	Free	
1512 19 30	Saffola oil, edible grade	Free	
1512 19 40	Saffola oil, non-edible grade	Free	
1512 19 90	Other	Free	
	Cotton Seed Oil and its fractions:		
1512 21 00	Crude Oil, whether or not gossypol has been removed	Free	
1512 29	Other:		
1512 29 10	Edible grade	Free	
1512 29 90	Other	Free	
1513	Coconut (Copra), Palm Kernel or Babassu oil and fractions thereof, whether or not refined, but not chemically modified		
	Coconut (Copra) oil and its fractions:		
1513 11 00	Crude oil		Import allowed through STC subject to para 2.11 of Foreign Trade Policy.
1513 19 00	Other		Import allowed through STC subject to para 2.11 of Foreign Trade Policy.
	Palm Kernel or Babassu oil and fractions thereof:		
1513 21	Crude Oil:		
1513 21 10	Palm Kernel Oil	Free	Import not permitted through any port in Kerala.
1513 29	Other:		
1513 29 10	Palm Kernel Oil and its fractions	Free	Import not permitted through any port in Kerala.
1513 29 20	Babassu Oil and fractions edible grade	Free	
1513 29 30	Babassu Oil and fractions, other than edible grade	Free	
1513 29 90	Other	Free	

1514	Rape, Colza or Mustard oil and its fractions thereof, whether or not refined , but not chemically modified		
	Low erucic acid rape or colza oil and its factions:		
1514 11	Crude oil:		
1514 11 10	Colza Oil	Free	
1514 11 20	Rape Oil	Free	
1514 11 90	Other	Free	
1514 19	Other:		
1514 19 10	Refined colza oil of edible grade	Free	
1514 19 20	Refined mustard oil of edible grade	Free	
1514 19 90	Other	Free	
	Other:		
1514 91	Crude oil:		
1514 91 10	Colza Oil	Free	
1514 91 20	Mustard Oil	Free	
1514 91 90	Rapeseed Oil	Free	
1514 99	Other:		
1514 99 10	Refined colza oil of edible grade	Free	
1514 99 20	Refined mustard oil of edible grade	Free	
1514 99 30	Refined rapeseed oil of edible	Free	
1514 99 90	Other	Free	
1515	Other fixed vegetable fats and Oils (including Jojoba oil) and their fractions, whether or not refined, but not chemically modified		
	Linseed Oil and its fractions :		
1515 11 00	Crude Oil	Free	
1515 19	Other:		
1515 19 10	Edible grade	Free	
1515 19 90	Other	Free	
	Maize (Corn) Oil and its fractions:		
1515 21 00	Crude oil	Free	
1515 29	Other:		
1515 29 10	Edible grade	Free	
1515 29 90	Other	Free	
1515 30	Castor Oil and its fractions:		
1515 30 10	Edible grade	Free	
1515 30 90	Other	Free	
1515 50	Seesame oil and its fractions:		
1515 50 10	Crude oil	Free	
	Other:		
1515 50 91	Edible grade	Free	
1515 50 99	Other	Free	
1515 90	Other:		
1515 90 10	Fixed vegetable oils, namely the following:Chulmoogra oil, Mawra oil, Kokam oil, Tobacco seed Oil, Sal Oil	Free	
1515 90 20	Fixed vegetable Oils, namely the following: Neem Seed Oil, Karanj Oil, Silk cotton Seed Oil, Khakhon Oil, Water Melon Oil, Kusum Oil, Rubber seed Oil, Dhup Oil, Undi Oil, Maroti Oil, Pisa Oil, Nahar Oil	Free	
1515 90 30	Fixed Vegetable Oils, namely the following : Cardamom Oil, Chillies/ Capsicum Oil, Turmeric Oil, Ajwain Seed Oil, Niger Seed Oil, Garlic Oil	Free	
1515 90 40	Fixed Vegetable Oils of edible grade namely: Mango Kernel Oil, Mahua Oil, Rice bran Oil	Free	
	Other:		
1515 90 91	Edible grade	Free	
1515 90 99	Other	Free	
1516	Animal or Vegetable fats and oils and their fractions, partly or wholly hydrogenated, inter-esterified, re-esterified or eladlnised, whether or not		

	refined, but not further prepared		
1516 10 00	Animal fats and oils and their fractions	Prohibited	Not permitted to be imported
1516 20	Vegetable fats and oils and their fractions:		
	Cotton Seed oil :		
1516 20 11	Edible grade	Free	
1516 20 19	Other	Free	
	Ground nut oil:		
1516 20 21	Edible grade	Free	
1516 20 29	Other	Free	
	Hydrogenated Castor oil (opal wax):		
1516 20 31	Edible grade	Free	
1516 20 39	Other	Free	
	Other:		
1516 20 91	Edible grade	Free	
1516 20 99	Other	Free	

Source: Directorate General of Foreign Trade(DGFT)

11.2 Export Policy

At present, export of edible oils is prohibition*. The following exemptions are permitted from the 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) 10,000 MTs of Organic edible oils per annum. The conditions notified in Notification No. 50 dated 03.06.2011 for export of organic edible oils will continue to apply.
- g) Rice Bran 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.

11.3 Bound Duty, Standard Duty and Current Applied Duty

Table 9: 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	12.5
15079010	Soya- bean Edible grade	45	45	20
15081000	Groundnut oil crude	300	100	12.5
15089091	Groundnut edible Grade	300	100	20
15091000	Olive oil virgin	45	45	12.5
15099010	Olive Edible grade	40	40	20
15111000	Palm Crude Oil	300	100	12.5
151190	Other refined palm oil	300	100	20
151211	Crude sunflower-seed or safflower oil	300	100	12.5
15121910	Sunflower oil edible Grade	300	100	20
15131100	Crude coconut oil	300	100	12.5
15131900	Other coconut oil	300	100	20
15141120	Low erucic rape oil	75	75	12.5
15141910	Refined colza oil of edible grade	75	75	20
15149120	Crude mustard oil	75	75	12.5
15149920	Refined mustard oil	75	75	20
15149920	Refined rapeseed oil of edible grade	75	75	20

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

applied duty on crude edible oil has been increased from 7.5% to 12.5% and on refined edible oil from 15% to 20% by Department of Revenue vide Notification No. 46/2014-Customs dated 17.09.2015.