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India

Oilseeds and Products Update

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Report Highlights:

Post forecasts India to produce 6.8 million metric tons (MMT) of rapeseed and mustard in marketing year (MY) 2016/17 (Oct-Sept), derived from 7.05 million hectares. This forecast marks a 15-percent production increase over last year due to increased area planted, more stable yields, and better weather. MY 2016/17 Indian oilmeal export sales are higher and vegetable oil imports are also expected to rise four percent to 16 MMT, albeit at a relatively moderate pace.

Post: New Delhi	**Commodities:** Oilseed, Rapeseed Meal, Rapeseed Oil, Rapeseed Oilseed, Peanut Meal, Peanut Oil, Peanut Oilseed, Sunflowerseed Meal, Sunflowerseed Oil, Sunflowerseed

Author Defined:

MY 2016/17 Rapeseed and Mustard Production Unchanged at 6.8 MMT

Rabi (winter) oilseed crops, chiefly rapeseed, mustard, peanut, and sunflower were planted on 7.8 million hectares, a 6.4-percent increase in area planted over last year. Oilseed planting was higher in most major growing states, except for Haryana and some southern states like Karnataka, Tamil Nadu, and Telangana, which faced low levels of precipitation.

Rapeseed and mustard production in MY 2016/17 will reach 6.8 MMT, a 15-percent increase over last year, derived from 7.05 million hectares. The higher production forecast is largely attributed to increased area planted in both traditional and non-traditional states. Rajasthan, Uttar Pradesh, and Madhya Pradesh saw more acres come under production this season and together accounted for about 65 percent of India's total rapeseed and mustard acres. According to the Indian Ministry of Agriculture's (MinAg) latest planting report for crop year 2016 (July-June), farmers were encouraged by good soil moisture resulting from last year's southwest monsoon, strong market prices, and above average temperatures during planting. Indian farmers were eager to recoup some of the rapeseed and mustard acres lost during the last two dry years.

Yields should remain stable and be above the most recent five-year average, particularly if favorable weather conditions persist through the planting season and there are no major pest or disease outbreaks. Although wholesale rapeseed and mustard prices are under some pressure due to good progress in planting to date, prices are relatively stable and generally on par with prices last year. Moreover, the MSP for rapeseed and mustard in MY 2016/17 was increased by INR 350 to INR 3,700/quintal.

Additionally, taramira (*Eruca sativa*) and toria *(Brassica rapa)* planting increased by 640,000 hectares, accounting for almost nine percent of total rapeseed and mustard planted this year. The estimated area under taramira (in Rajasthan) reached 236,200 hectares, a significant increase over about 17,000 hectares planted last year. Similarly, the estimated area under toria, grown in eastern Uttar Pradesh, Punjab, Haryana, and in eastern Indian states reached 404,000 hectares, another significant increase over the 120,000 hectares last year.

MY 2016/17 Peanut Production Lowered, Sunflower Production at Decadal Low

MY 2016/17 peanut production is revised lower to 6 MMT, four percent below the official estimate, but still an increase of 35-percent over last year. Lower than expected winter peanut planting in Odisha, Tamil Nadu, and Chhattisgarh led to this revision. Similarly, sunflower production and area planted were also revised lower to 240,000 metric tons (MT) from 304,000 hectares. Sunflower production declined by more than 80 percent during the last decade and continues to lose acres under cultivation by almost 15-18 percent annually, as farmers are increasingly prefer other remunerative crops. (NOTE: more than two-third of sunflower gets planted during winter season. Winter planting data is sourced from MinAg.)

Aggressive Oilmeal Pricing Supports Indian Export Sales in MY 2016/17

During the first four months of the MY 2016/17, oilmeal (soybean and rapeseed meal) exports quadrupled over corresponding sales last year (Table 1). Indian oilmeal exports are predicated on demand for smaller shipments from France, Southeast Asia, and the Middle East and aggressive pricing by Indian oilmeal exporters.

Vegetable Oil Imports Slow

Vegetable oil imports during the first quarter of MY 2016/17 were down 21 percent compared to last year due to lower than anticipated imports of crude palm (CPO) and soybean oils (Table 2). However, as indicated earlier (November 2016 update), the narrowing price premium for sunflower oil versus soybean oil, and thinner margins between CPO and refined palm oil have encouraged the trade. The price premium for soybean oil ($50/MT over sunflower oil and $110/MT over CPO: SEA Data) will however limit imports below 4 MMT. Additionally, sufficient beginning stocks will prevent stockpiling by importers/traders. Vegetable oil imports in the MY 2016/17 are forecast to increase by four percent to 16 MMT.

Table 1. India: Oilmeal Exports, Metric Tons

	Soybean meal	**Rapeseed meal**	**Peanut meal**	**Sunflower meal**	**Total**
Oct-16	3,177	23,720	514	0	27,411
Nov-16	51,805	12,304	411	0	64,520
Dec-16	160,949	2,292	513	0	163,754
Jan-17	111,060	2,261	296	0	113,617
Surface Transport	124,100	3,000	0	0	127,100
Oct 16-Jan-17	**451,091**	**43,577**	**1,734**	**0**	**496,402**
Oct 15-Jan-16	44,120	48,169	0	0	92,289
% Change	922	-10	-	0	438

Source: Solvent Extractors' Association of India

Table 2. India: Vegetable Oil Imports, in 1000 Metric Tons

	Oct-16	**Nov-16**	**Dec-16**	**Oct 16- Jan 17**	Oct 15 - Jan 16	% Change
RBD palmolein	222	241	246	708	690	3
Crude palm oil	514	557	473	1,545	2,057	-25
Crude palmolein	0	473	0	0	0	-
Crude Palm kernel oil	3	0	4	10	31	-66
Total palm oil	**739**	**801**	**723**	**2,264**	2,777	**-18**
Crude soybean oil	278	164	232	674	1,158	-42
Refined soybean oil	0	0	0	0	0	0
Total soy oil	**278**	**164**	**232**	**674**	1,158	**-42**
Crude sun oil	97	158	186	441	394	12
Refined sun oil	0	0	0	0	0	0
Total sun oil	**97**	**158**	**186**	**441**	394	**12**
Canola Rape oil	44	32	33	109	66	64
Cottonseed Oil	0	0	0	0	0	0
Safflower oil	0	0	0	0	0	-
Coconut oil	0	0	0	0	0	
Grand Total	1,158	1,156	1,174	**3,488**	4,395	-21

STATISTICAL TABLES

Table 3. India: Commodity, Oilseed, Rapeseed, PSD

Oilseed, Rapeseed	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	6600	6517	7000	6450	6600	7056
Area Harvested	5799	6517	5814	6450	6500	7056
Beginning Stocks	439	439	479	504	499	244
Production	5080	5800	5920	6000	6800	6800
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	5519	6239	6399	6504	7299	7044
MY Exports	0	0	0	5	0	5
MY Exp. to EU	0	0	0	0	0	0
Crush	4200	4800	5000	5250	5700	5700
Food Use Dom. Cons.	550	660	580	725	620	800
Feed Waste Dom. Cons.	290	275	320	280	330	325

Total Dom. Cons.	5040	5735	5900	6255	6650	6825
Ending Stocks	479	504	499	244	649	214
Total Distribution	5519	6239	6399	6504	7299	7044

Table 4. India: Commodity, Meal, Rapeseed, PSD

Meal, Rapeseed	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**May 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	4200	4800	5000	5250	5700	5700
Extr. Rate, 999.9999	0.5969	0.5896	0.597	0.5905	0.597	0.5905
Beginning Stocks	300	300	148	130	245	490
Production	2507	2830	2985	3100	3403	3366
MY Imports	0	0	3	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2807	3130	3136	3230	3648	3856
MY Exports	1059	800	291	240	350	750
MY Exp. to EU	2	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1600	2200	2600	2500	3000	2700
Total Dom. Cons.	1600	2200	2600	2500	3000	2700
Ending Stocks	148	130	245	490	298	406
Total Distribution	2807	3130	3136	3230	3648	3856

Table 5. India: Commodity, Oil, Rapeseed, PSD

Oil, Rapeseed	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	4200	4800	5000	5250	5700	5700

Extr. Rate, 999.9999	0.38	0.3958	0.38	0.4105	0.38	0.4105
Beginning Stocks	325	325	222	328	222	351
Production	1596	1900	1900	2155	2166	2340
MY Imports	383	385	383	350	400	350
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2304	2610	2505	2833	2788	3041
MY Exports	2	2	3	2	0	2
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	80	80	80	80	85	85
Food Use Dom. Cons.	2000	2200	2200	2400	2450	2600
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	2080	2280	2280	2480	2535	2685
Ending Stocks	222	328	222	351	253	354
Total Distribution	2304	2610	2505	2833	2788	3041

Table 6. India: Commodity, Oilseed, Peanut, PSD

Oilseed, Peanut	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**May 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	4743	4560	4560	4300	5500	5315
Area Harvested	4743	4560	4560	4300	5500	5315
Beginning Stocks	767	767	500	573	336	558
Production	4855	5200	4470	4600	6300	6050
MY Imports	1	1	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	5623	5968	4970	5173	6636	6608
MY Exports	873	645	784	575	950	700
MY Exp. to EU	20	20	20	20	20	25
Crush	3000	3050	2650	2600	3400	3300
Food Use Dom. Cons.	800	1200	750	1000	1000	1400
Feed Waste Dom.	450	500	450	440	500	500

Cons.						
Total Dom. Cons.	4250	4750	3850	4040	4900	5200
Ending Stocks	500	573	336	558	786	708
Total Distribution	5623	5968	4970	5173	6636	6608

Table 7. India: Commodity, Meal, Peanut, PSD						
Meal, Peanut	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**May 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	3000	3050	2650	2600	3400	3300
Extr. Rate, 999.9999	0.4167	0.4	0.42	0.4	0.4265	0.4
Beginning Stocks	0	0	0	0	0	0
Production	1250	1220	1113	1040	1450	1320
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1250	1220	1113	1040	1450	1320
MY Exports	8	3	6	1	8	1
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	5	10	5	5	5	8
Feed Waste Dom. Cons.	1237	1207	1102	1034	1437	1311
Total Dom. Cons.	1242	1217	1107	1039	1442	1319
Ending Stocks	0	0	0	0	0	0
Total Distribution	1250	1220	1113	1040	1450	1320

Table 8. India: Commodity, Oil, Peanut, PSD						
Oil, Peanut	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**May 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	3000	3050	2650	2600	3400	3300
Extr. Rate, 999.9999	0.33	0.34	0.3302	0.34	0.3309	0.34
Beginning	167	167	92	74	82	81

Stocks						
Production	990	1037	875	884	1125	1122
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1157	1204	967	958	1207	1203
MY Exports	15	15	11	12	20	15
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	10	15	10	10	10	10
Food Use Dom. Cons.	1040	1100	864	855	1055	1080
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1050	1115	874	865	1065	1090
Ending Stocks	92	74	82	81	122	98
Total Distribution	1157	1204	967	958	1207	1203

Table 9. India: Commodity, Oilseed, Sunflowerseed, PSD

Oilseed, Sunflowerseed	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	550	525	550	446	400	304
Area Harvested	584	525	550	446	400	304
Beginning Stocks	0	0	0	0	0	0
Production	383	435	320	390	320	240
MY Imports	1	0	1	0	2	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	384	435	321	390	322	240
MY Exports	6	0	3	0	4	0
MY Exp. to EU	0	0	0	0	0	0
Crush	323	380	270	340	270	215
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	55	55	48	50	48	25
Total Dom. Cons.	378	435	318	390	318	240
Ending Stocks	0	0	0	0	0	0
Total Distribution	384	435	321	390	322	240

Table 10. India: Commodity, Oilmeal, Sunflowerseed, PSD						
Meal, Sunflowerseed	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		May 2015		Oct 2016	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	323	380	270	340	270	215
Extr. Rate, 999.9999	0.483	0.4789	0.4815	0.4794	0.4815	0.4791
Beginning Stocks	0	0	0	0	0	0
Production	156	182	130	163	130	103
MY Imports	32	0	184	0	140	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	188	182	314	163	270	103
MY Exports	4	0	4	0	5	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	184	182	310	163	265	103
Total Dom. Cons.	184	182	310	163	265	103
Ending Stocks	0	0	0	0	0	0
Total Distribution	188	182	314	163	270	103

Table 11. India: Commodity, Oil, Sunflowerseed, PSD						
Oil, Sunflowerseed	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	323	380	270	340	270	215
Extr. Rate,	0.3622	0.3553	0.363	0.35	0.3556	0.3488

999.9999						
Beginning Stocks	343	343	331	208	218	257
Production	117	135	98	119	96	75
MY Imports	1575	1530	1492	1530	1800	1800
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2035	2008	1921	1857	2114	2132
MY Exports	4	0	3	0	3	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1700	1800	1700	1600	1820	1900
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1700	1800	1700	1600	1820	1900
Ending Stocks	331	208	218	257	291	232
Total Distribution	2035	2008	1921	1857	2114	2132