

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## India

### Oilseeds and Products Update

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**Report Highlights:**

Poor winter rains and lower oilseed area in Rajasthan have not only reduced *rabi* (winter sown) oilseed planting to 8.1 million hectares, but also reduced the net availability of oilseeds for crushing into edible oils. Total edible oil imports through Marketing Year (MY) 2011/12 will rise 11 percent to 9.1 million tons on strong domestic demand. Recent volatility in exchange rate has cut the profit margins of oil meal exporters. Considering strong domestic demand for oil meals, total oil meal exports will drop 8 percent to 5.3 million tons.

**Post:**

New Delhi

**Author Defined:****POOR WINTER RAINS DISCOURAGED RABI OILSEED PLANTING**

According to the latest progressive [planting report](#) from the Indian Ministry of Agriculture, the total area planted to *rabi* (winter) oilseeds, which include rapeseed-mustard, sunflower, and peanuts, declined 3.7 percent to 8.1 million hectares.

**Rapeseed-mustard** planted area was down 7.6 percent to 6.7 million hectares, mainly due to lower oilseed area in Rajasthan. Following good monsoon rains in *kharif* 2011, farmers were encouraged to plant more area to soybeans, leaving less fallow land for planting rapeseed and mustard.

Additionally low winter rains and unfavorable weather conditions during crop establishment discouraged rapeseed- mustard planting, particularly in Rajasthan.

Concurrently, a shift to other remunerative crops further constrained rapeseed-mustard area expansion. Good returns from the wheat crop planted last year coupled with a significant hike in the Minimum Support for wheat Price (up 9.4 percent over last year) for the current *rabi* (winter) season prompted farmers to plant additional area to wheat at the expense of rapeseed-mustard (pan India, wheat acreage was marginally higher, but was up 13 percent in Rajasthan).

Based on an initial crop assessment, rapeseed-mustard production for marketing year (MY) 2011/12 is estimated at 6.3 million tons, down 800,000 tons from last year. Further, industry observers believe that the prolonged cold spell and intermittent rains observed during crop growth across major rapeseed-mustard growing regions may potentially reduce yields and consequently result in a further decline in production.

The winter planted **sunflower crop** also witnessed poor rains (northeast monsoon) and erratic weather conditions, consequently bringing down planted area by 22 percent to 476,000 hectares. As a result, total sunflower acreage and production in MY 2011/12 are estimated lower at 755,000 hectares and 470,000 tons, respectively.

Amid a general slowdown in *rabi* oilseed planting, peanut planted area was notably up 4 percent over last year. Thanks to strong market prices for peanuts since the start of the *rabi* season, farmers planted an additional 34,000 hectares spread across Karnataka, Odisha and Tamil Nadu, bringing the total area under **peanuts** to 913,000 hectares. Based on preliminary estimates, total peanut acreage

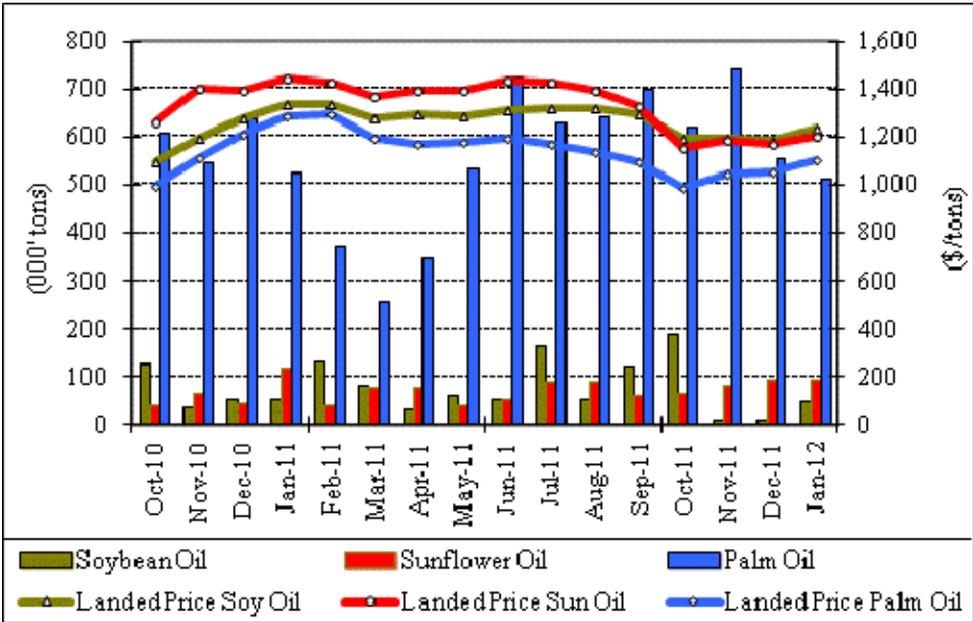
and production for 2011/12 are estimated at 5.2 million hectares and 5.2 million tons respectively.

**EDIBLE OIL IMPORTS TO RISE 11 PERCENT TO 9.1 MILLION TONS**

Lower *rabi* oilseed area has reduced the net availability of oilseeds for crushing into edible oils. Based on the current pace of imports, total edible oil imports for MY 2011/12 are expected to increase 11 percent to 9.1 million tons. The import forecast includes 7.1 million tons of palm oil, 1 million tons each of soybean and sunflower oils and 400,000 tons of other edible oils. Strong domestic demand will further support edible oil imports despite imports turning costlier due to devaluation of the Indian rupee against the U.S. dollar.

Post July 2011, international vegetable oil prices had started to soften, leading to a spurt in edible oil imports, particularly during the last quarter of MY 2010/11. The trend extended further into the first trimester of MY 2011/12, when imports were up 5 percent at 3 million tons. Strong international soy oil prices had dragged down imports, while lifting competitively priced palm and sunflower oil. With palm oil selling at a discount to soy and sunflower oils, its import during first four months of MY 2011/12 was up 4 percent at 2.4 million tons. A stabilized exchange rate could partially aid further growth of imported vegetable oils.

**Figure 1. India: Imports and Landed Price for Crude Soy, Sunflower and Palm Oils, In U.S. Dollars per Metric Ton**



Source: Solvent Extractors Association of India

**Table 1. India: Vegetable Oil Imports, In Thousand Metric Tons**

	Oct-11	Nov-11	Dec-11	Jan-12	Oct 11- Jan 12	Oct 10- Jan - 11	% Change
RBD palm-olein	120	110	107	114	451	430	5
Crude palm oil	491	611	437	393	1,932	1,875	3
Crude palm-olein	0	0	1	0	1	0	-
Crude Palm kernel oil	8	20	8	4	40	35	15
<b>Total palm oil</b>	<b>619</b>	<b>741</b>	<b>552</b>	<b>511</b>	<b>2,423</b>	2,340	4
Crude soybean oil	187	8	7	47	249	255	-2
Refined soybean oil	0	0	0	0	0	0	0
<b>Total soy oil</b>	<b>187</b>	<b>8</b>	<b>7</b>	<b>47</b>	<b>249</b>	255	-2
Crude sun oil	64	79	94	90	327	259	26
Refined sun oil	0	0	0	0	0	0	0
<b>Total sun oil</b>	<b>64</b>	<b>79</b>	<b>94</b>	<b>90</b>	<b>327</b>	259	26
Canola Rape oil	8	0	0	0	8	0	0
Cottonseed Oil	0	0	0	0	0	0	0
Coconut oil	0	0	1	0	1	1	0
<b>Grand Total</b>	<b>878</b>	<b>828</b>	<b>655</b>	<b>648</b>	<b>3,008</b>	2,855	5

Source: Solvent Extractors Association of India

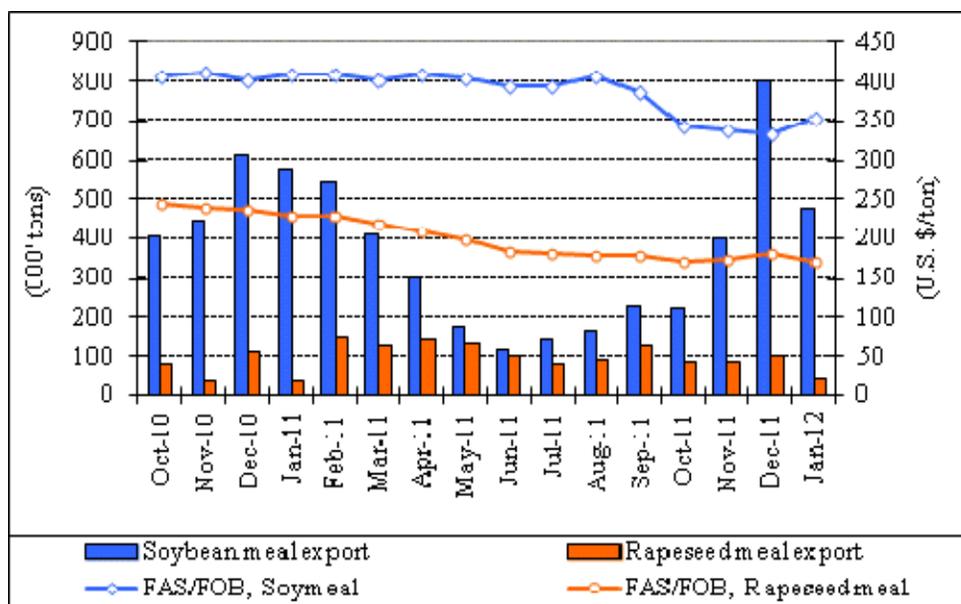
### Poor Off-take from Asian Countries Hurting Indian Oil Meal Exports

Poor off-take of oil meals from China, Vietnam, South Korea and Middle East countries since the beginning of this year has resulted in a decline of India's total oil meal exports in MY 2011/12 to 2.2 million tons. Oil meal exports in January 2012 saw the steepest decline, of 16 percent, to 520,599 tons as compared to the corresponding month last year. Normally, the first 6 months of the marketing year are crucial for meal exports as more than 60 percent of total oil meals get exported during this time period. Post March, competition from Latin American supplants oil meal exports from India. Given the current pace of exports, total oil meal exports <sup>[1]</sup> are likely to drop 8 percent to 5.3 million tons. The export forecast consists of 4.4 million tons of soymeal, 900,000 tons of rapeseed meal and 10,000 tons of other oil meals. Strong domestic demand for oil meals for feed and food use will constrain additional meal exports.

Further, devaluation of the Indian rupee by 5 percent relative to the U.S. dollar in last 4 months has cut profit margins of Indian oil meal exporters. Though competitive pricing of Indian rapeseed meal has helped exporters sell an additional 44,000 tons during the first four months of MY 2011/12, China's ban on import of oil meals (rapeseed meal) from India since January 2012 will moderate rapeseed meal exports. Assessing the impact of the recent ban, the Solvent Extractors Association of India anticipates export earnings from oil meals will decline \$6 million through MY 2011/12.

<sup>[1]</sup> Does not include rice bran and castor meal

**Figure 2. India: Exports and International Prices for Soymeal and Rapeseed Meal FOB Indian Port  
In U.S. Dollars per Metric Ton**



Source: Solvent Extractors Association of India

**Table 2. India: Vegetable Oil Meal Exports, In Thousand Metric Tons**

	Soybean meal	Rapeseed meal	Peanut meal	Sunflower meal	Total
Oct-11	223,594	88,487	0	0	312,081
Nov-11	397,659	85,276	0	0	482,935
Dec-11	798,041	99,493	0	0	897,534
Jan-12	474,993	45,606	0	0	520,599
<b>Oct 11-Jan-12</b>	<b>1,894,287</b>	<b>318,862</b>	<b>0</b>	<b>0</b>	<b>2,213,149</b>
Oct 10-Jan-11	2,034,601	275,008	1,017	0	2,310,626
% Change	-7	16	-100	-	-4

Source: Solvent Extractors Association of India

**Table 3: Commodity, Oilseed, Rapeseed, PSD**

Oilseed, Rapeseed India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,800	6,440	7,000	7,250	7,000	6,700
Area Harvested	6,450	6,440	7,000	7,250	7,000	6,700
Beginning Stocks	631	1,645	785	1,763	500	1,873
Production	6,400	6,400	7,000	7,100	7,000	6,300
MY Imports	20	20	15	15	15	15
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	7,051	8,065	7,800	8,878	7,515	8,188
MY Exports	0	2	0	25	0	2
MY Exp. to EU	0	0	0	0	0	0
Crush	5,500	5,500	6,500	6,100	6,400	5,650
Food Use Dom. Cons.	528	560	548	620	568	580
Feed Waste Dom. Cons.	238	240	252	260	250	270
Total Dom. Cons.	6,266	6,300	7,300	6,980	7,218	6,500
Ending Stocks	785	1,763	500	1,873	297	1,686
Total Distribution	7,051	8,065	7,800	8,878	7,515	8,188
CY Imports	20	20	15	0	15	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
TS=TD		0		0		0

Note: All units are in 1000 tons and area is in 1000 hectares. This is also applicable for all the PSDs given below.

**Table 4: Commodity, Meal, Rapeseed, PSD**

Meal, Rapeseed India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	5,500	5,500	6,500	6,100	6,400	5,650
Extr. Rate, 999.9999	1.	0.5976	1.	0.5959	1.	0.5958
Beginning Stocks	21	62	22	124	27	87
Production	3,287	3,287	3,885	3,635	3,810	3,366
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	3,308	3,349	3,907	3,759	3,837	3,453
MY Exports	786	675	1,340	1,222	1,245	900
MY Exp. to EU	2	0	2	0	2	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	2,500	2,550	2,540	2,450	2,570	2,220
Total Dom. Cons.	2,500	2,550	2,540	2,450	2,570	2,220
Ending Stocks	22	124	27	87	22	333
Total Distribution	3,308	3,349	3,907	3,759	3,837	3,453
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	892	734	1,250	800	1,250	800
CY Exp. to U.S.	0	0	0	0	0	0
SME	1,779	1,814	1,807	1,743	1,829	1,580
TS=TD		0		0		0

**Table 5: Commodity, Oil, Rapeseed, PSD**

Oil, Rapeseed India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	5,500	5,500	6,500	6,100	6,400	5,650
Extr. Rate, 999.9999	0.	0.3818	0.	0.3934	0.	0.3935
Beginning Stocks	0	0	0	0	100	0
Production	2,080	2,100	2,460	2,400	2,420	2,223
MY Imports	18	20	5	4	5	25
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	2,098	2,120	2,465	2,404	2,525	2,248
MY Exports	22	22	20	20	10	25
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	2,076	2,098	2,345	2,384	2,515	2,223
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	2,076	2,098	2,345	2,384	2,515	2,223
Ending Stocks	0	0	100	0	0	0
Total Distribution	2,098	2,120	2,465	2,404	2,525	2,248
CY Imports	8	45	5	40	5	40
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	21	0	20	0	25	0
CY Exp. to U.S.	0	0	0	0	0	0
TS=TD		0		0		0

**Table 6: Commodity, Oilseed, Peanut, PSD**

Oilseed, Peanut India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,600	5,350	6,100	6,050	5,260	5,210
Area Harvested	5,300	5,350	6,000	6,000	5,260	5,115
Beginning Stocks	62	145	12	50	10	100
Production	4,900	4,900	5,850	5,850	5,350	5,250
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	4,962	5,045	5,862	5,900	5,360	5,350
MY Exports	450	345	348	500	450	400
MY Exp. to EU	0	5	0	3	0	3
Crush	3,500	3,650	4,314	4,200	3,850	3,800
Food Use Dom. Cons.	600	500	650	650	650	550
Feed Waste Dom. Cons.	400	500	540	450	400	385
Total Dom. Cons.	4,500	4,650	5,504	5,300	4,900	4,735
Ending Stocks	12	50	10	100	10	215
Total Distribution	4,962	5,045	5,862	5,900	5,360	5,350
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	450	384	350	450	450	380
CY Exp. to U.S.	0	0	0	0	0	0
TS=TD		0		0		0

**Table 7: Commodity, Meal, Peanut, PSD**

Meal, Peanut India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	3,500	3,650	4,314	4,200	3,850	3,800
Extr. Rate, 999.9999	0.	0.389	0.	0.381	0.	0.39
Beginning Stocks	0	0	0	0	0	0
Production	1,370	1,420	1,690	1,600	1,507	1,482
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	1,370	1,420	1,690	1,600	1,507	1,482
MY Exports	44	19	50	11	30	10
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	5	5	5	0	5
Feed Waste Dom. Cons.	1,326	1,396	1,635	1,584	1,477	1,467
Total Dom. Cons.	1,326	1,401	1,640	1,589	1,477	1,472
Ending Stocks	0	0	0	0	0	0
Total Distribution	1,370	1,420	1,690	1,600	1,507	1,482
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	44	15	50	10	30	0
CY Exp. to U.S.	0	0	0	0	0	0
SME	1,490	1,575	1,843	1,786	1,660	1,655
TS=TD		0		0		0

**Table 8: Commodity, Oil, Peanut, PSD**

Oil, Peanut India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	3,500	3,650	4,314	4,200	3,850	3,800
Extr. Rate, 999.9999	0.	0.3356	0.	0.3357	0.	0.3355
Beginning Stocks	165	65	10	38	50	53
Production	1,165	1,225	1,435	1,410	1,283	1,275
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	1,330	1,290	1,445	1,448	1,333	1,328
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	15	10	15	15	10	10
Food Use Dom. Cons.	1,305	1,242	1,380	1,380	1,313	1,280
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1,320	1,252	1,395	1,395	1,323	1,290
Ending Stocks	10	38	50	53	10	38
Total Distribution	1,330	1,290	1,445	1,448	1,333	1,328
CY Imports	0	0	0	0	0	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
TS=TD		0		0		0

**Table 9: Commodity, Oilseed, Sunflower seed, PSD**

Oilseed, Sunflowerseed India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	1,450	1,380	760	760	1,000	755
Area Harvested	1,400	1,380	760	760	1,000	735
Beginning Stocks	0	0	0	0	0	0
Production	820	807	475	475	630	470
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	820	807	475	475	630	470
MY Exports	4	0	4	0	4	0
MY Exp. to EU	0	0	0	0	0	0
Crush	720	740	375	430	530	400
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	96	67	96	45	96	70
Total Dom. Cons.	816	807	471	475	626	470
Ending Stocks	0	0	0	0	0	0
Total Distribution	820	807	475	475	630	470
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	4	0	4	0	4	0
CY Exp. to U.S.	0	0	0	0	0	0
TS=TD		0		0		0

**Table 10: Commodity, Meal, Sunflower seed, PSD**

Meal, Sunflowerseed India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	720	740	375	430	530	400
Extr. Rate, 999.9999	0.	0.473	0.	0.4767	0.	0.48
Beginning Stocks	0	0	0	0	0	0
Production	341	350	178	205	252	192
MY Imports	10	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	351	350	178	205	252	192
MY Exports	2	0	0	0	0	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.	349	350	178	205	252	192
Total Dom. Cons.	349	350	178	205	252	192
Ending Stocks	0	0	0	0	0	0
Total Distribution	351	350	178	205	252	192
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	2	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0
SME	330	330	168	194	238	181
TS=TD		0		0		0

**Table 11: Commodity, Oil, Sunflower, PSD**

Oil, Sunflowerseed India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	720	750	375	430	530	400
Extr. Rate, 999.9999	0.	0.36	0.	0.3605	0.	0.3625
Beginning Stocks	168	163	121	143	100	174
Production	255	270	133	155	188	145
MY Imports	611	610	776	776	840	1,000
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1,034	1,043	1,030	1,074	1,128	1,319
MY Exports	3	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.	910	900	927	900	1,020	1,050
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	910	900	927	900	1,020	1,050
Ending Stocks	121	143	100	174	105	269
Total Distribution	1,034	1,043	1,030	1,074	1,128	1,319
CY Imports	652	633	800	652	845	650
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
TS=TD		0		0		0

**Table 12: Commodity, Oil, Palm, PSD**

Oil, Palm India	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Oct 2009		Market Year Begin: Oct 2010		Market Year Begin: Oct 2011	
	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	727	1,185	940	1,010	516	651
Production	50	50	50	60	50	60
MY Imports	6,603	6,415	6,661	6,541	7,250	7,100
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	7,380	7,650	7,651	7,611	7,816	7,811
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	240	240	260	260	300	300
Food Use Dom. Cons.	6,200	6,400	6,875	6,700	7,400	7,200
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	6,440	6,640	7,135	6,960	7,700	7,500
Ending Stocks	940	1,010	516	651	116	311
Total Distribution	7,380	7,650	7,651	7,611	7,816	7,811
CY Imports	6,645	6,600	6,850	6,491	7,250	7,100
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
TS=TD		0		0		0