



Edible oil imports may decline by 5% in 2024-25: Industry

India's edible oil imports may drop 5% in 2024-25 to below 15.5 MT, led by record domestic oilseed output and weaker demand amid high retail prices. Palm oil imports fell 25%, reducing its share in total imports. Government duty cuts and new regulation aim to stabilise supply and prices.

The country imports oils from Indonesia, Malaysia, Thailand, Ukraine, Russia and Argentina. India produces oils such as mustard, soybean and groundnut. India's import of edible oils – palm, soybean and sunflower – during 2024-25 oil year (November-October) is likely to decline by around 5% to below 15.5 million tonne (MT) from 16 MT in the previous year, a senior industry official said. The decline in imports is on account of record domestic oil seeds production and some decline in demand because of higher retail prices of cooking oil.

"The imports in the current oil year may be below 15.5 MT with record domestic oil seeds production boosting edible oils especially mustard, soybean and groundnut while consumption in some segment of population has been adversely impacted because of higher prices prevailing because of past several months," BV Mehta, executive director, Solvent Extraction Association of India (SEA), told FE. Mehta said the edible oil imports may be 0.2 MT less than the projected 15.5 MT in 2024-25 oil year if the current trends continue. India imports around 57% of its edible oils – palm, soybean and sunflower consumption of around 25 MT.

Palm oil share declines sharply

This comes after a fall in the import of palm oil has led to fall in the country's edible oil imports by 9.87% during November-July of the oil year 2024-25 to 10.75 MT on year, according to SEA data. The volume of imports excludes 0.5 MT imported via Nepal taking advantage of the South Asian Free Trade Area . According to SEA, palm oil imports declined by 25% to 5.14 MT during the first nine month of the current oil year compared to the same period of 2023-24 oil year. Correspondingly the share of palm oils in the total imports of edible oils in the current oil has declined to 48% from 57% in the previous oil year so far.

Domestic output and government measures

The oil seeds production including that of mustard, soybean, groundnut, sesame, Niger seed etc rose to a record 42.6 MT in 2024-25 crop year (July-June), an increase of 7.4% compared to 2023-24 crop year. This has boosted domestic edible oil production, trade sources said. However because of higher global prices, the edible prices have been at the elevated level for the past several months. Retail inflation in edible oils was 19.24% in July. The country imported 15.96 MT of crude and refined oils – palm, soybean and sunflower – during 2023-24 oil year valued at Rs 1.32 lakh crore. To ensure domestic supplies and keep prices under check, the government has been tweaking import duties on the edible oils.

On May 30, India reduced the effective import duty including basic custom duty and cess on these three oils to 16.5% from 27.5% imposed in September last year to curb spike in prices. The food ministry recently notified a new vegetable oil products, production and availability regulation order, 2025, aimed at increasing transparency, preventing supply disruptions, and ensuring fair prices for consumers. The country imports oils from Indonesia, Malaysia, Thailand, Ukraine, Russia and Argentina. India produces oils such as mustard, soybean and groundnut.