



Soybean oil oilseeds fall due to weak local demand of DOC

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New Delhi, Nov 26 (PTI) Soybean oil oilseed prices declined in the Delhi oil-oilseed market on Saturday due to weak local demand for de-oiled cake (DOC) of soybean and fall in imported oil prices. While, crude palm oil (CPO) and palmolein oil, including mustard and groundnut oilseeds and domestic oils like cottonseed oil, closed at their previous levels on general demand in light country oils amid tight supplies of sunflower and soybean degum.

Market sources said the Malaysia Exchange closed 2.25 per cent higher on Friday, while the Chicago Exchange lost 1.5 per cent last night.

Sources said that farmers in the country are also interested in sowing soybean as it yields about 82 per cent de-oiled cake (DOC) apart from edible oil, which is used as chicken feed. Farmers earn additional profit from local sales as well as export of DOC.

Sunflower sowing is to take place next month in states like Maharashtra, Gujarat, Karnataka, Haryana and Punjab. Significantly, earlier there was so much production of sunflower that we had to import this oil only in small quantities. But at present, its production in the country has reduced drastically and about 95 per cent of sunflower oil is imported. Domestic production of sunflower oil in the country ranges between 1-2 lakh tonnes.

Sources said sunflower oil, which was priced at \$2,500 a tonne about six months ago at the Kandla port, has now come down to \$1,360 a tonne due to improvement in supplies from overseas. The price of sunflower oil which was \$350 higher than that of soyabean oil has now gone down by \$100 as compared to the price of soybean oil. That is, the price of sunflower oil, which used to be around Rs 200 per kg, has come down to Rs 88 and now it is Rs 112 per kg.

Compared to this low price, the cost of extracting sunflower oil to sunflower producing farmers in the country will be about Rs 40 per kg more. How will the rate of Rs 152 from local farmers compete against the rate of Rs 112 per kg of sunflower oil imported under the quota system. Any farmer can shy away from taking this risk.

He said that amid this situation, the price of sunflower oil should have been lower than that of soyabean, but in view of the short supply situation, sunflower oil is being sold at Rs 155-160 per kg in the wholesale market and around Rs 180 per kg in retail.

Taking advantage of the short supply situation, despite the price break, sellers are charging huge premiums from consumers. Major oil organizations of the country should also tell the government about this situation. They should be told that due to the quota system of duty free imports, a situation of 'short supply' (less edible oil supply) has been created in the country and the government should be warned about the immediate abolition of the quota system.

Sources said that the DOC of sunflower and its husk are being used for poultry feed and cattle feed in Maharashtra, Andhra, Karnataka. Oilseeds production in the country can increase only when farmers get good prices for their produce and there is an assured procurement system.

The prices of oil and oilseeds remained as follows on Saturday:

Mustard oilseeds – Rs.7,275-7,325 (42 percent condition rate) per quintal.

Groundnut – Rs.6,510-6,570 per quintal.

Groundnut oil mill delivery (Gujarat) – Rs 14,950 per quintal.

Groundnut refined oil Rs 2,425-2,690 per tin.

Mustard oil Dadri – Rs 14,750 per quintal.

Mustard Pakki Ghani – Rs 2,230-2,360 per tin.

Sarson Kachi Ghani – Rs 2,290-2,415 per tin.

Sesame oil mill delivery – Rs 18,900-21,000 per quintal.

Soybean oil mill delivery Delhi – Rs 14,250 per quintal.

Soybean Mill Delivery Indore – Rs 13,850 per quintal.

Soybean oil Degem, Kandla – Rs 12,750 per quintal.

CPO X-Kandla – Rs 8,950 per quintal.

Cottonseed Mill Delivery (Haryana) – Rs 12,400 per quintal.

Palmolin RBD, Delhi – Rs 10,450 per quintal.

Palmolin X- Kandla – Rs 9,600 (without GST) per quintal.

Soybean seed – Rs 5,575-5,675 per quintal.

Soybean loose Rs.5,385-5,435 per quintal.

Maize Khal (Sariska) Rs 4,010 per quintal.

Source: <https://www.newspdayexpress.com/business/soybean-oil-oilseeds-fall-due-to-weak-local-demand-of-doc/>