

Peanut Blog

An ounce of information



As groundnut oil gets costlier, consumers shift to sunflower

With prices of groundnut oil hitting record highs, there is a shift towards sunflower oil in households and palm oil in the hotels and restaurants industry, according to Gujarat State Edible Oils and Oilseeds Association (GSEOOSA).

With high volumes of edible oil imports, particularly sunflower oil, the prices of sunflower oil are now more favourable, propelling a shift in consumer preference. Of the 16 lakh tonnes of edible oil consumed in the state every year — the highest figure for any state — cottonseed oil accounts for 6 lakh tonnes, groundnut oil 4 lakh tonnes and the remaining 5-6 lakh tonnes is oil from soyabean, palm, rice bran and sunflower.

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“The price of groundnut oil hit Rs 1,925 per 10kg in July, largely due to a poor-quality crop after excessive unseasonal rainfall throughout the summer. Most of the crop is of too poor quality to be used for crushing. The price of groundnut oil has thus shot up. Even the quality of cottonseed hasn’t been as good this year, due to the unseasonal rainfall. Thus households are increasingly shifting to sunflower oil,” said Samir Shah, president of GSEOOSA.

With groundnut oil expensive, sunflower oil is priced at Rs 920 per 10kg and palm oil at Rs 840 per 10kg, industry players say. The hotel, restaurants and catering segment is seeing an increased uptake in palm oil recently. “Edible oil imports touched a record high of 17 lakh metric tonnes in July, due to easing prices of sunflower, soyabean and palm oil, compared to the usual average of 11 lakh metric tonnes of monthly imports. Refiners are stocking up, anticipating massive demand in the coming festive season. Because of the Russia-Ukraine crisis, refiners keep replenishing their inventory of unrefined oil to avoid potential shortages,” said an edible oil trader. Palm oil is mainly imported from Malaysia, Thailand and Indonesia and sunflower and soyabean oils from Argentina, Brazil, Russia and Ukraine. “The shift in preference, however, is a temporary phenomenon due to excessive supply. Currently, about 32 ships are yet to discharge their supplies and thus pipeline stocks are adequate for palm and sunflower oil. Overall demand for them has thus temporarily gone up,” said B V Mehta, executive director of the Solvent Extractors’ Association (SEA).

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