

Peanut Blog

An ounce of information



Edible oil imports hit a record 16.5 MT in 2022-23

Value of imports down 11% on year to Rs 1.38 trn.

India's import of edible oils – palm, soybean and sunflower – rose 17% on year to a record 16.47 million tonne (MT) in the 2022-23 oil year (November-October) helped by lower import tariffs, according to the trade body Solvent Extractors Association of India (SEA).

The volume of imports of these cooking oils had seen a peak of 15.1 MT in 2016-17. The SEA stated 'the (rise in) imports has transformed India into a prime destination for excess oil supplies.'

However the value of edible oil imports in 2022-23 declined by 11% to Rs 1.38 trillion from a record Rs 1.56 trillion in 2021-22 because of a subdued global prices.

The share of palm oil including crude and refined in total edible oil imports increased to 59% last year, up from 55% in the 2021-22. Palm oil is mostly imported from Indonesia, Malaysia and Thailand.

The trade body has stated that import of RBD Palmolein or refined palm oil last year constituted over 25% of the total palm oil imports which has 'significantly impacted the domestic refining industry, which is grappling with a significant underutilization of its installed capacity,'.

The domestic oil processors have urged the government to increase the gap between effective import duty on crude and refined edible oils which is currently at 5.5% and 13.75% respectively especially when current landed prices of refined bleached and deodorized (RBD) palm oil are at par or lower than the crude oil prices.

Imports of crude soybean and sunflower last year were 3.67 MT and 3 MT, respectively. Soybean oil was sourced from Argentina and Brazil, while sunflower oil was sourced from Russia and Ukraine.

The landed prices of crude palm oil (at Mumbai port), which holds close to a 46% share in the country's import basket, declined by 13.5% to \$ 885/tonne on Friday, compared to the \$ 1024/tonne a year ago. Landed prices of crude soybean and sunflower oil have fallen by 27.5% and 33.5% to \$1058/tonne and \$ 960/tonne, respectively.

India imports about 56% of its total annual edible oil consumption of around 24 to 25 MT. In terms of share in domestic output, the share of oils includes mustard (40%), soybean (24%), and groundnut (7%) among others.

Currently, crude palm, soybean, and sunflower oil imports attract only a 5% agri infra cess and a 10% education cess, resulting in a total tax incidence of 5.5%. Retail inflation in the 'oil and fats' categories declined by 13.73% in October compared to the previous year.

Source: <https://www.financialexpress.com/market/commodities-edible-oil-imports-hit-a-record-16-5-mt-in-2022-23-3306219/>