

# Peanut Blog

An ounce of information



## Edible Oil Prices Reduce As 70% Of Small Crushing Mills Close

**Amidst rising inflation concerns, a significant positive shift has been marked by a decrease in the prices of edible oil.**

Market sources indicate an ongoing trend of selling imported oils below cost at the ports. Importers are reportedly selling imported edible oils at a rate of Rs 2-3 per kg less than the cost.

Currently, importers are grappling with significant financial losses. Struggling to consume existing stock after minimal profit, the imperative to sustain Letters of Credit (LCs) in banks forces the sale of imported oil at reduced prices at ports. Concurrently, the market observes a decline in oilseed arrivals impacting mustard, soybean, cotton and groundnut. Mustard, groundnut and sunflower are reportedly sold below the Minimum Support Price (MSP).

Around 60-70 per cent of small oil crushing mills are closed due to ineffective crushing. Government data indicate a decline in the sowing area for oilseeds like groundnut and sunflower compared to the previous year.

Groundnut sowing has reduced from 2.7 lakh hectares last year to 1.80 lakh hectares. Similarly, sunflower sowing, which was at 41,000 hectares last year, has decreased to 37,000 hectares. Meanwhile, edible oil demand is rising at a yearly rate of around 10 per cent. Cotton arrivals and cultivation areas are also on the decline. In contrast to other sectors that actively advocate for their demands, the oil organisations appear to lag in fulfilling their responsibilities.

In the recent week, crude ghee oil prices dropped to Rs 1,785-1,895 per tin, with wholesale mustard seed prices declining by Rs 100 to Rs 5,650-5,700 per quintal. Mustard Dadri oil saw a decrease of Rs 250, closing at Rs 10,500 per quintal. Mustard Pakki and Kachchi Ghani oil prices closed at Rs 1,785-1,880 and Rs 1,785-1,895 per tin (15 kg).

Soybean grains and loose rice prices closed at Rs 5,260-5,310 and Rs 5,060-5,110 per quintal, with losses of Rs 115-115. Additionally, Soybean Delhi, Soybean Indore and Soybean Degum oil prices closed at Rs 10,400, Rs 10,200 and Rs 8,850 per quintal.

Groundnut oil-oilseeds, Groundnut Gujarat, and Groundnut Solvent Refined Oil closed at Rs 6,600-6,675 per quintal, Rs 15,400 per quintal, and Rs 2,290-2,565 per tin, with losses of Rs 50, Rs 100, and Rs 25, respectively. Crude Palm Oil (CPO) faced a loss of Rs 225, closing at Rs 8,250 per quintal, while Palmolein Delhi and Palmolein X Kandla oil closed at Rs 9,150 and Rs 8,400 per quintal. Cottonseed oil also reflected the declining trend, closing at Rs 8,950 per quintal, showing a loss of Rs 200 during the reporting week.

**Source:** <https://www.news18.com/business/edible-oil-prices-reduce-as-70-of-small-crushing-mills-close-8678085.html>