

# Edible oil imports surge 35% in August

RBD palmolein shipments during the current oil year rise nearly five times

## OUR BUREAU

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With prices of edible oils dropping in the global markets, India cashed in on the fall importing 13.75 lakh tonnes (lt) last month against 10.16 lt in August 2021, recording a growth of 35.29 per cent. India's import of edible oil was at 12.05 lt in July this year.

Details of the rise in imports had an immediate impact on Malaysian palm oil with benchmark futures on Bursa Malaysia Derivatives Exchange rising 5.84 per cent to 3,898 ringgits.

According to Solvent Extractors' Association of India (SEA) data, the country imported 110.70 lt of edible oil in the first 10 months of the oil year 2021-22 (November to October) against 103.86 lt in same period a year ago, recording a growth of 6.58 per cent.

BV Mehta, Executive Director of SEA, said the import of RBD palmolein witnessed a jump during

the first 10 months of the oil year 2021-22. The country imported 13.46 lt of RBD palmolein during November-August of 2021-22 against 2.30 lt in the corresponding period a year ago, recording a growth of 483.63 per cent.

He attributed this growth to the high export levy on CPO (crude palm oil) and lower duty on RBD palmolein by Indonesia. This favoured Indonesian exporters to discount RBD palmolein to push its export. Now RBD palmolein constitutes 12 per cent of the total import of edible oils. This was just 2 per cent last year.

As a result of this, import of CPO declined to 44.42 lt during the first 10 months of the oil year 2021-22 against 60.20 lt in a year ago, recording a decline of 26.21 per cent.

## Price fall

Stating that the international prices of edible oils have fallen sharply in last four months, he



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said the price of RBD palmolein has fallen by \$965 a tonne, CPO by \$685 a tonne, crude soyabean oil by \$607 a tonne, and crude sunflower oil by \$730 a tonne during the period.

In tandem with international prices, the domestic price of edible oils also moved downward in the last four months. RBD palmolein's wholesale price has come down by over ₹69,500 a tonne, refined soyabean oil by ₹44,500 a tonne, and sunflower oil down by nearly ₹56,000 a tonne in the last four months.

## Palm vs soft oils

However, the share of palm oil (including CPO and RBD palmolein) in the overall edible oil import has come down during the first 10 months of the oil year 2021-22 and the share of soft oil has gone up.

He said the overall palm oil import decreased to 58.56 lt (53 per cent) during November-August of 2021-22 against 63.65 lt (61 per cent) in the corresponding period a year ago. Meanwhile, the share of soft oils in the overall edible oil import increased to 52.14 lt (47 per cent) during the first 10

months of 2021-22 from 40.08 lt (39 per cent) in the corresponding period of the previous oil year. He attributed this growth to the higher import of soyabean oil during the period.

However, he said, the price spread between soft oils and palm oil now is nearly \$250-350 a tonne. This encourages the larger import of palm oil in spite of a 5.5 per cent duty payable on the import of CPO. "High prices have apparently motivated Indian farmers to push soyabean plantings above expectations this year, regardless of the still unusually large old crop stocks," he said.

## Russian factor

Russia and Argentina are emerging as the major exporters of sunflower oil to India. In August, India bought about 1.35 lt of sunflower oil mainly from Russia (72,780 tonnes) and Argentina (30,600 tonnes).

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