

## LEAD TO DECLINE IN INFLATION

# Edible oil imports surge as global prices drop sharply

Processors and farmers seek higher import duty

SANDIP DAS  
New Delhi, April 18

THERE HAS BEEN a sharp spike in edible oil imports during the first five months of the current oil year (November-December) due to softening global prices of palm, soybean and sunflower oils.

According to the Solvent Extractors' Association of India (SEA), edible oil imports rose by 23.7% to 6.98 million tonne (MT) during the November-March period (2022-23), compared to the same period last year.

The landed prices of palm oil (at Mumbai port), which has close to 60% share in the country's import basket, declined by 42% to \$1,030/tonne on April 14 this year, against the \$1,791/tonne that prevailed

### GLOBAL EDIBLE OIL PRICES (CRUDE)



a year ago.

Landed prices of crude soy and sunflower oil have declined by 45% and 53% to \$1,040/tonne and \$1,010/tonne, respectively.

Higher imports have pulled down domestic prices of mustard and soybean seed.

Inflation in the oil & fats category declined by 7.86% in March 2023

Farmers' organisations and edible oil processors have been urging the government to hike import duties to bring parity with domestic edible oil prices.

"Unbridled imports of palmolein is resulting in collapse of edible oil prices, which is impacting the marketing of mustard during peak harvest time and causing distress to farmers," Ajay Jhunjunwala, president, SEA, had stated in a communication to the food ministry.

At present, crude palm, soybean and sunflower oil imports attract only a 5% agri infra cess and a 10% education cess, meaning a total tax incidence of 5.5%.

According to trade body Soy-

bean Processors Association of India (SOPA), between September and March (2022-2023), the price of imported crude soybean oil has declined by 31%; similarly, prices of sunflower and palm oils have fallen.

"The steep fall in edible oil prices has resulted in a fall in oilseeds prices and the farmers are disappointed and discouraged by this policy of keeping duties very low, even after the world prices of edible oil have crashed," Davish Jain, chairman, SOPA, has stated in a communication to commerce ministry.