

Food ministry asks retailers to cut prices of edible oil

Cites sharp fall in global prices & robust domestic oilseed production

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THE FOOD MINISTRY has asked retailers of edible oil to reduce prices, citing the sharp fall in global prices of palm, soyabean and sunflower oils and bumper production of domestic oilseeds, such as mustard, groundnut and soyabean this season.

“While most of the brands have reduced prices in the past, still the prevailing maximum retail prices (MRP) of the packed edible oil in the market is not in line with the current prices as in the international market,”



Landed prices of crude soy and sunflower oil have declined by 50% and 55% to \$960/tonne and \$990/tonne

according to a food ministry communication. While urging members of the Solvent Extractors Association (SEA) to reduce MRP of edible oil and pass on the benefits to consumers, the min-

istry has stated “the prices of edible oil in the domestic market seem to be on a high, considering the prevailing market scenario”. According to the department of consumer affairs data, retail prices of edible oils such as groundnut and palm oil on Tuesday remained unchanged at ₹185/litre and ₹105/litre, respectively during the last three months.

Retail prices of mustard oil declined by around 9% to ₹150/litre on Tuesday from prices prevailing three months back. The landed prices of palm oil (at Mumbai port), which has close to 60% share in the country's import basket, declined by 44% to \$1,000/tonne on April 28 this year, against the \$1,791/tonne that prevailed a year ago. Landed prices of crude soy and sunflower oil have declined by 50% and 55% to

\$960/tonne and \$990/tonne, respectively. India imports about 56% of its annual edible oil consumption of 24-25 MT. About 8 MT of palm oil is imported from Indonesia and Malaysia annually. The share of domestic edible oil includes mustard (40%), soyabean (24%) and groundnut (7%) and others. The 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, according to SEA data.

The retail inflation in oil and fats categories declined by 7.86% in March, 2023 year-on-year. For mustard oil, prices declined by 14.65% last month. Inflation in refined oil (sunflower, soybean and palm) also declined by 10.93% in March, 2023.