

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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India

Oilseeds and Products Update

2016

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Report Highlights:

India is expected to produce 6.4 million metric tons (MMT) of rapeseed and mustard in marketing year (MY) 2015/16. The crop will come from 6.45 million hectares and will mark a ten-percent increase over last year. An incremental rise in planted area from some non-traditional eastern, northeastern, and northern states will partially compensate for a net decline in planted area from Rajasthan. Total oilmeal exports in MY 2015/16 will decline to 1.6 MMT. Vegetable oil imports will rise upwards of 15.4 MMT.

Post:

New Delhi

Author Defined:**Rapeseed and Mustard Production Expected to Rise 10 Percent Above Last Year**

Based on the latest planting report from the Indian Ministry of Agriculture (MinAg) and preliminary field assessments, rapeseed and mustard production in MY 2015/16 will reach upwards of 6.4 MMT, derived from 6.45 million hectares. This production estimate is 15 percent below the previous estimate, but still ten percent above last year. Lower than anticipated planted area in Rajasthan (40 percent of total area) was partially compensated by an incremental rise in acreage from non-traditional areas such as Jharkhand, West Bengal, northeastern, southeastern states and northern states. Average yields are expected to be slightly higher than levels achieved in MY 2013/14. Note: the rapeseed and mustard standing crop suffered significant damage last year and therefore not used for comparison.

In general, planting for all major *rabi* (winter) crops such as oilseeds, wheat, and pulses was delayed due to the early withdrawal of 2015 southwest monsoon (June-September) and the subsequent lack of residual soil moisture. The situation compounded following a prolonged dry spell, above-normal temperatures, and a general lack of precipitation. As a result, almost fifty percent of total rapeseed and mustard crop planting extended into mid-November.

The 2015/16 winter season has been warmer than usual, excepting for a few cold spells in January, with no major incidents of pest and disease infestation. Industry sources report that the production outlook will be relatively normal. The preceding statement assumes normal weather conditions through March (harvesting period) and remains valid until the date of publication of this report.

Additionally, throughout the last 12 months, average wholesale prices for rapeseed and mustard have risen by almost fifteen percent, currently reaching INR 4,000-4,100 per quintal. Strong market prices particularly during first quarter of MY 2014/15 (INR 4,300-4,350 per quintal) encouraged farmers to plant. Farmers were also likely incentivized by the higher minimum support price ([MSP](#)) for rapeseed and mustard in MY 2015/16 was raised by eight percent (INR 250) to INR 3,350 a quintal.

Additionally, area planted under *taramira* (*Eruca sativa*) oilseed crop, particularly in Rajasthan, reached 160,000 hectares, a significant increase over the 40,000 hectares planted last year. However, the planted area is still below the five-year average of 340,000 hectares. Marginal lands unsuitable for successful production of cereals are used for profitable cultivation of *taramira*; however, the yields are lower than rapeseed and mustard crops. Fewer farmers chose to keep their land fallow, while others switched more of their cultivable land to short-duration vegetable crops, coriander, gram, and barley.

Last Year, Rapeseed and Mustard Crop Suffered Significant Crop Loss

Post has revised down MY 2014/15 rapeseed and mustard production from 6.8 MMT to 5.8 MMT to account for crop loss due to unseasonal rains accompanied by strong winds during the harvest period. Last March, the standing crop was damaged due to lodging, pod damage, and poor quality of harvested seeds. Similarly, Post also reduces MY 2013/14 production reduced to 7 MMT, as to indicate the latest

trade estimate.

Lower Peanut Planting in Traditional States Will Trim Total Production by 13 Percent

Based on the latest available planting data, Post also revises lower the MY 2015/16 peanut production from 5.5 MMT to 4.8 MMT indicating lower winter planting of peanuts in traditional states such as Telangana, Karnataka, and Tamil Nadu.

MY 2015/16 Oil Meals Export Forecast Revised Down to 1.6 MMT

Indian oilmeal exports during the first four months of MY 2015/16 were down 92 percent to 61,300 metric tons (MT), the lowest level in the last five years (Table 1). Indian oilmeals (soybean and rapeseed) are out-priced on the international market due to high local oilseed prices, and lower realization from oil and meal. Additionally, competitive meal exports from other origins and a glut of low-cost vegetable oil imports (mostly palm) have dis-incentivized local oil millers, which are either running at very low capacity or have closed their operations. Consequently, Post revises down the total oilmeal export forecast for MY 2015/16 by 250,000 metric tons to 1.6 MMT, a thirteen percent from last year.

MY 2015/16 Vegetable Oil Imports Will Reach Historic High of 15.4 MMT

Vegetable oil imports grew 23 percent to 5.7 MMT in first four months of MY 2015/16 (Table 2). Total imports surged due to large inflow of palm and soybean oil. Indian importers were encouraged to stock vegetable oil inventory due to lower than anticipated domestic oilseed production and availability of low-cost palm oil from Indonesia and Malaysia. As per current import trends, total vegetable oil imports in MY 2015/16 will increase by upwards of 15.4 MMT, up 10 percent over last year.

Table 1. India: Oilmeal Exports, Metric Tons

	Soybean meal	Rapeseed meal	Peanut meal	Sunflower meal	Total
Oct-15	4,237	3,079	0	0	7,316
Nov-15	8,909	12,845	0	0	21,754
Dec-15	5,667	16,855	0	0	22,522
Jan-16	7,707	1,990	0	0	9,697
Oct 15-Jan-16	26,520	34,769	0	0	61,289
Oct 14-Jan-15	438,135	353,594	2,228	0	793,957
% Change	-94	-90	-100		-92

Source: Solvent Extractors' Association of India

Table 2. India: Vegetable Oil Imports, in 1000 Metric Tons

	Oct-15	Nov-15	Dec-15	Jan-16	Oct 15-Jan 16	Oct 14 - Jan 15	% Change
RBD palmolein	229	232	230	150	840	314	168
Crude palm oil	878	627	551	530	2,587	2,785	7
Crude palmolein	0	551	0	0	0	0	-
Crude Palm kernel oil	9	530	8	8	39	58	33
Total palm oil	1,116	874	788	688	3,466	3,157	10
Crude soybean oil	405	262	491	441	1,599	661	142
Refined soybean oil	0	0	0	0	0	0	0
Total soy oil	405	262	491	441	1,599	661	142
Crude sun oil	113	178	103	118	512	603	15
Refined sun oil	0	0	0	0	0	0	0
Total sun oil	113	178	103	118	512	603	15
Canola Rape oil	16	25	26	7	74	162	54
Cottonseed Oil	0	0	0	0	0	0	0
Safflower oil	0	0	0	0	0	0	-
Coconut oil	0	0	0	0	0	0	-
Grand Total	1,650	1,338	1,407	1,255	5,651	4,584	23

Source: Solvent Extractors' Association of India

STATISTICAL TABLES

Table 3. India: Commodity, Oilseed, Rapeseed, PSD
(Area in 1000 hectares and production in 1000 metric tons)

<i>Oilseed, Rapeseed</i>	2013/2014			2014/2015			2015/2016		
<i>Market Begin Year</i>	Oct 2013			Oct 2014			Oct 2015		
<i>India</i>	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	7130	7130	7130	6600	6517	6517	7000	7000	6450
Area Harvested	7130	7130	7130	6600	6517	6517	6000	7000	6450
Beginning Stocks	569	569	569	568	539	424	428	109	489
Production	7300	7300	7000	6310	6800	5800	6000	7500	6400
MY Imports	0	20	20	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	7869	7889	7589	6878	7339	6224	6428	7609	6889
MY Exports	1	0	0	0	0	0	0	5	5
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Crush	6300	6300	6100	5500	6100	4800	5100	6300	5555
Food Use Dom. Cons.	700	750	725	700	800	660	700	850	750
Feed Waste Dom. Cons.	300	300	340	250	330	275	250	350	300
Total Dom. Cons.	7300	7350	7165	6450	7230	5735	6050	7500	6605
Ending Stocks	568	539	424	428	109	489	378	104	279
Total Distribution	7869	7889	7589	6878	7339	6224	6428	7609	6889
CY Imports	0	0	0	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	1	1	0	0	0	0	0	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
Yield	1.0238	1.0238	0.9818	0.9561	1.0434	0.89	1	1.0714	0.9922

Table 4. India: Commodity, Meal, Rapeseed, PSD
(Units in 1000 metric tons, Extraction rate in Percent)

<i>Meal, Rapeseed</i>	2013/2014			2014/2015			2015/2016		
<i>Market Begin Year</i>	Oct 2013			Oct 2014			May 2015		
<i>India</i>	USDA Officia l	Old Post	New Post	USDA Officia l	Old Post	New Post	USDA Officia l	Old Post	New Post
Crush	6300	6300	6100	5500	6100	4800	5100	6300	5555
Extr. Rate, 999.9999	0.5905	0.5905	0.5902	0.5909	0.5902	0.5896	0.5902	0.5903	0.5905
Beginning Stocks	30	30	30	20	179	38	17	79	8
Production	3720	3720	3600	3250	3600	2830	3010	3719	3280
MY Imports	0	0	0	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	3750	3750	3630	3270	3779	2868	3027	3798	3288
MY Exports	1327	1071	1292	843	1200	760	200	1000	850
MY Exp. to EU	2	0	0	2	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0
Feed Waste Dom. Cons.	2403	2500	2300	2410	2500	2100	2800	2600	2300
Total Dom. Cons.	2403	2500	2300	2410	2500	2100	2800	2600	2300
Ending Stocks	20	179	38	17	79	8	27	198	138

Total Distribution	3750	3750	3630	3270	3779	2868	3027	3798	3288
CY Imports	0	0	0	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	1200	800	1336	1000	800	572	1100	0	800
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	1709.7 3	1779	1636.4 5	1714.7 1	1779	1494.1 5	1992.2	1850	1636.4 5

Table 5. India: Commodity, Oil, Rapeseed, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)

<i>Oil, Rapeseed</i>	2013/2014			2014/2015			2015/2016		
<i>Market Begin Year</i>	Oct 2013			Oct 2014			Oct 2015		
<i>India</i>	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Crush	6300	6300	6100	5500	6100	4800	5100	6300	5555
Extr. Rate, 999.9999	0.381	0.4097	0.4016	0.38	0.4103	0.3958	0.3804	0.4103	0.396
Beginning Stocks	113	113	113	165	284	153	132	355	156
Production	2400	2581	2450	2090	2503	1900	1940	2585	2200
MY Imports	160	160	160	384	300	385	450	0	350
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	2673	2854	2723	2639	3087	2438	2522	2940	2706
MY Exports	3	0	0	2	2	2	3	0	2
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	70	70	70	80	80	80	80	80	80
Food Use	2435	2500	2500	2425	2650	2200	2300	2700	2500

MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	5669	6519	6519	5187	5340	5370	4147	6515	4945
MY Exports	787	580	650	870	475	475	530	600	470
MY Exp. to EU	20	20	20	20	20	20	20	30	20
Crush	3600	4600	3600	3325	3500	3050	2650	4500	3000
Food Use Dom. Cons.	615	600	1500	615	650	1200	615	700	1000
Feed Waste Dom. Cons.	380	600	600	330	500	500	300	550	400
Total Dom. Cons.	4595	5800	5700	4270	4650	4750	3565	5750	4400
Ending Stocks	287	139	169	47	215	145	52	165	75
Total Distribution	5669	6519	6519	5187	5340	5370	4147	6515	4945
CY Imports	1	0	0	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	885	477	477	575	400	400	650	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
Yield	1.0463	1.2037	1.2037	1.0652	1.1404	1.1404	1.025	1.2115	1.2

Table 7. India: Commodity, Meal, Peanut, PSD
(Units in 1000 metric tons, Extraction rate in Percent)

<i>Meal, Peanut</i>	2013/2014			2014/2015			2015/2016		
<i>Market Begin Year</i>	Oct 2013			Oct 2014			May 2015		
<i>India</i>	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Crush	3600	4600	3600	3325	3500	3050	2650	4500	3000
Extr. Rate,	0.3917	0.4	0.4	0.391	0.4	0.4	0.3898	0.4	0.4

999.9999									
Beginning Stocks	0	0	0	0	0	0	0	0	0
Production	1410	1840	1440	1300	1400	1220	1033	1800	1200
MY Imports	0	0	0	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0	0	0	0
Total Supply	1410	1840	1440	1300	1400	1220	1033	1800	1200
MY Exports	8	2	2	8	2	3	5	5	2
MY Exp. to EU	0	0	0	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0
Food Use Dom. Cons.	5	10	10	5	10	10	5	10	5
Feed Waste Dom. Cons.	1397	1828	1428	1287	1388	1207	1023	1785	1193
Total Dom. Cons.	1402	1838	1438	1292	1398	1217	1028	1795	1198
Ending Stocks	0	0	0	0	0	0	0	0	0
Total Distribution	1410	1840	1440	1300	1400	1220	1033	1800	1200
CY Imports	0	0	0	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0
CY Exports	7	2	2	5	3	3	5	0	0
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0
SME	1575.84	2066	1616.3 1	1452.20	1571	1367.9 0	1155.47	2018	1346.5 5

Table 8. India: Commodity, Oil, Peanut, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)

