

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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India

Oilseeds and Products Update

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Report Highlights:

Post maintains its previous marketing year (MY) 2016/17 (Oct-Sept) forecast for Indian soybean production in at 11.5 million metric tons (MMT), derived from 11.4 million hectares. Peanut production is revised higher to 6.4 MMT, derived from 5.5 million hectares. Oilmeal sales and edible oil imports are adjusted to reflect the latest trade estimates.

Post:
New Delhi

Commodities:
Meal, Soybean
Oil, Soybean
Oilseed, Soybean
Meal, Peanut
Oil, Peanut
Oilseed, Peanut
Oil, Palm

Author Defined:

MY 2016/17 Soybean Production Unchanged at 11.5 MMT

The fall harvest (*kharif*) soybean, peanut, and sunflower crops were planted on 16.3 million cumulative hectares, a six-percent increase in area planted over last year. Higher than anticipated peanut production increased India's overall *kharif* oilseed acreage, although soybean planting tracked with last year's levels. After two consecutive years of weak monsoons, normal and above-normal levels of monsoonal rainfall in 2016, particularly during the peak planting season of June-mid-July, encouraged oilseed planting. Strong oilseed prices further incentivized production. NOTE: Planting data is from the Indian Ministry of Agriculture (MinAg) for crop year 2016 (July-June). END NOTE

Indian growing conditions during this year's cropping season were largely categorized as normal and soybean production in most growing areas was largely unaffected by adverse weather. Only eastern Madhya Pradesh received above-normal precipitation through August and September. Some of the more mature soybeans in that particular region may reflect resulting quality issues, although industry sources indicate that any weather-related damage would be isolated to a few districts there. Average yields will remain just above one metric ton (MT) per hectare. Post maintains its MY 2016/17 soybean production forecast at 11.5 MMT, from 11.4 million hectares.

MY 2016/17 Peanut Production Revised Up to 6.4 MMT from 5.5 Million Hectares

MY 2016/17 peanut area planted and production is revised higher to 5.5 million hectares, and 6.4 MMT, respectively, as per the most recent planting and trade estimates. Post's current production estimate is 10 percent above the previous estimate, and 40 percent over last year. India's *kharif* peanut crop is planted on 4.7 million hectares, a 28 percent increase in area planted over last season. This revision reflects higher than anticipated *kharif* peanut planting in Gujarat (which contributes about 40 percent of total *kharif* peanut production), Andhra Pradesh, Maharashtra, and Rajasthan. The summer planting is assumed to be normal, as per the most recent five-year average.

MY 2016/17 Oilmeal Exports Revised Lower to 2.5 MMT

Assuming normal market conditions, MY 2016/17 oilmeal exports are forecast lower to 2.5 MMT (regional sea and surface freight). Presently, international FOB prices for soybean meal and rapeseed meal average about \$60 per MT lower than Indian domestic prices for the same commodities. Lower than anticipated supplies of oilseeds (particularly soybeans) for crush (to meal and oil) has lowered the oilmeal sales forecast.

MY 2015/16 oilmeal exports, excluding rice bran and castor meal, were the lowest in decades (451,000

MT). As indicated earlier, low-cost imports of edible oils and strong domestic prices of oilseeds (short-supply) provided little incentive for millers to crush oilseeds (mostly soybeans) for meal.

India Will Import 16 MMT of Edible Oils in MY 2016/17

Rising population, growing income levels, and attractive international edible oil prices should support higher imports. ‘Soft oils’ will constitute 37 percent of total imports while palm oil will constitute the rest. Evidently, palm oil’s share has decreased by more than 16 percent over the last five years. Relatively lower import duty on palm, coupled with a lower price premium for sunflower oil, should encourage imports in spite of the local supply situation being relatively better than the last few years. On Sept 23, 2016, the GOI lowered the import duty on crude palm oil from 12.5 percent to 7.5 percent and refined palm oil from 20 percent to 15 percent ([Customs Notification No 51/2016](#)). In MY 2015/16, India imported 15.3 MMT of edible oils. Going forward, palm oil and competitively priced oilmeal imports may put downward pressure on domestic soybean prices, presently selling at INR 3,100 per quintal (\$460 per MT, and 18 percent below last year).

Current Status of Rabi (winter) Crop Planting

Except for coarse cereals, winter sown (*rabi*) crop planting is 4.6 percent above last year (Table 1). Sufficient soil moisture retained from preceding monsoon season has helped planting gain pace. NOTE: planting remains underway as of the date of publication. END NOTE

Table 1. India: *Rabi* Planting Progress as on November 25, 2016, In Million Hectares

Crop	Area planted in 2016/17*	Area planted in 2015/16*
Wheat	12.71	11.73
Pulses	9.50	8.81
Coarse cereals	3.43	4.23
Oilseeds	6.42	5.62
Rice	0.68	0.91
Total	32.76	31.31

Source: [PIB Press Release](#)

*: crop year July-June

Production, Supply and Demand Data Statistics:

Table 2. India: Commodity, Oilseed, Soybean, PSD

Oilseed, Soybean Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		May 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Area Planted	11000	10908	11650	11610	11700	11400
Area Harvested	10911	10908	11600	11610	11400	11400
Beginning Stocks	719	719	797	695	146	432
Production	8711	8700	7125	7000	9700	11500
MY Imports	11	11	55	12	20	15
MY Imp. from U.S.	0	0	0	12	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	9441	9430	7977	7707	9866	11947
MY Exports	234	235	135	100	150	200
MY Exp. to EU	25	20	30	25	25	25
Crush	6800	6600	5950	5400	7600	8500
Food Use Dom. Cons.	630	650	650	575	660	650
Feed Waste Dom. Cons.	980	1250	1096	1200	1000	1300
Total Dom. Cons.	8410	8500	7696	7175	9260	10450
Ending Stocks	797	695	146	432	456	1297
Total Distribution	9441	9430	7977	7707	9866	11947
(1000 HA) ,(1000 MT)						

Table 3. India: Commodity, Meal, Soybean, PSD

Meal, Soybean Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		May 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush	6800	6600	5950	5400	7600	8500
Extr. Rate, 999.9999	0.8	0.8065	0.8	0.8	0.8	0.8
Beginning Stocks	592	592	227	575	138	685
Production	5440	5323	4760	4320	6080	6800
MY Imports	7	0	48	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	6039	5915	5035	4895	6218	7485
MY Exports	1072	1140	150	160	900	1700
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	240	500	237	450	270	400
Feed Waste Dom. Cons.	4500	3700	4510	3600	4700	4600
Total Dom. Cons.	4740	4200	4747	4050	4970	5000
Ending Stocks	227	575	138	685	348	785
Total Distribution	6039	5915	5035	4895	6218	7485

(1000 MT) ,(PERCENT)

Table 4. India: Commodity, Oil, Soybean, PSD

Oil, Soybean Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		May 2015		Oct 2016	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6800	6600	5950	5400	7600	8500
Extr. Rate, 999,9999	0.1779	0.1758	0.178	0.1759	0.178	0.1765
Beginning Stocks	246	246	199	206	415	656
Production	1210	1160	1059	950	1353	1500
MY Imports	2799	2800	4360	4300	4000	3800
MY Imp. from U.S.	2	2	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4255	4206	5618	5456	5768	5956
MY Exports	0	0	3	0	0	10
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	4056	4000	5200	4800	5400	5500
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	4056	4000	5200	4800	5400	5500
Ending Stocks	199	206	415	656	368	446
Total Distribution	4255	4206	5618	5456	5768	5956

(1000 MT) ,(PERCENT)

Table 5. India: Commodity, Oilseed, Peanut, PSD

Oilseed, Peanut Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		May 2015		Oct 2016	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	4600	4560	4500	4300	4000	5500
Area Harvested	4743	4560	4560	4300	5300	5500
Beginning Stocks	767	767	230	573	80	358
Production	4855	5200	4470	4600	5500	6400
MY Imports	1	1	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	5623	5968	4700	5173	5580	6758
MY Exports	873	645	780	575	900	750

MY Exp. to EU	20	20	20	20	20	30
Crush	3350	3050	2650	2600	3050	3500
Food Use Dom. Cons.	790	1200	790	1200	800	1400
Feed Waste Dom. Cons.	380	500	400	440	420	500
Total Dom. Cons.	4520	4750	3840	4240	4270	5400
Ending Stocks	230	573	80	358	410	608
Total Distribution	5623	5968	4700	5173	5580	6758
(1000 HA) ,(1000 MT)						

Table 6. India: Commodity, Meal, Peanut, PSD

Meal, Peanut Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		May 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush	3350	3050	2650	2600	3050	3500
Extr. Rate, 999.9999	0.42	0.4	0.42	0.4	0.42	0.4
Beginning Stocks	0	0	0	0	0	0
Production	1407	1220	1113	1040	1281	1400
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1407	1220	1113	1040	1281	1400
MY Exports	8	3	6	2	8	2
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	5	10	5	5	5	10
Feed Waste Dom. Cons.	1394	1207	1102	1033	1268	1388
Total Dom. Cons.	1399	1217	1107	1038	1273	1398
Ending Stocks	0	0	0	0	0	0
Total Distribution	1407	1220	1113	1040	1281	1400
(1000 MT) ,(PERCENT)						

Table 7: Commodity, Oil, Peanut, PSD

Oil, Peanut Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		May 2015		Oct 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
India						
Crush	3350	3050	2650	2600	3050	3500
Extr. Rate, 999.9999	0.3149	0.34	0.3151	0.34	0.3151	0.34
Beginning Stocks	167	167	131	174	119	147
Production	1055	1037	835	884	961	1190
MY Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0

MY Imp. from EU	0	0	0	0	0	0
Total Supply	1222	1204	966	1058	1080	1337
MY Exports	15	15	13	11	20	15
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	10	15	10	10	10	10
Food Use Dom. Cons.	1066	1000	824	890	925	1140
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1076	1015	834	900	935	1150
Ending Stocks	131	174	119	147	125	172
Total Distribution	1222	1204	966	1058	1080	1337
(1000 MT) ,(PERCENT)						

Table 8. India: Commodity, Oil, Palm, PSD

Oil, Palm Market Begin Year	2014/2015		2015/2016		2016/2017	
	Oct 2014		May 2015		Oct 2016	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0	0	0
Area Harvested	80	0	80	0	80	0
Trees	0	0	0	0	0	0
Beginning Stocks	460	460	646	627	381	377
Production	180	180	200	200	200	220
MY Imports	9256	9287	8735	9150	10000	10000
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	9896	9927	9581	9977	10581	10597
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	500	500	500	600	600	700
Food Use Dom. Cons.	8750	8800	8700	9000	9600	9400
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	9250	9300	9200	9600	10200	10100
Ending Stocks	646	627	381	377	381	497
Total Distribution	9896	9927	9581	9977	10581	10597
(1000 HA) ,(1000 TREES) ,(1000 MT)						