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Required Report - public distribution

Date: 11/28/2017

GAIN Report Number: IN7137

India

Oilseeds and Products Update

2017

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Report Highlights:

Peanut production and planted area for marketing year (MY) 2017/18 (Oct/Sept) is revised to 7 million metric tons (MMT) on 5.2 million hectares. Earlier, the peanut production was forecast at 6.6 MMT on 4.8 million hectares. A marginal rise in planted area generated a higher yield estimate, particularly for *kharif* (fall harvest) peanuts, which buoyed total oilseed production. Total oil meals and edible oils production and consumption estimates are unchanged. Trade data for MY 2016/17 is updated to reflect the latest figures.

Post:	**Commodities:**
New Delhi	Meal, Soybean
	Oil, Soybean
	Oilseed, Soybean
	Meal, Peanut
	Oil, Peanut
	Oilseed, Peanut
	Meal, Sunflowerseed
	Oil, Sunflowerseed
	Oilseed, Sunflowerseed

Author Defined:

***Kharif*-2017 Planting Update:**

The 2017 *kharif* soybean, peanut, and sunflower crops were planted on 14.9 million hectares, nine percent below last *kharif* season (2016). The area planted for all three oilseeds as indicated in the Statistical tables appended will total 16.2 million hectares. Unlike soybeans, which are grown only in *kharif* season, sunflower and peanut crops are planted during winter and summer seasons (Oct-May) across different regions (the crops are irrigated.) An additional 1.3 million hectares (16.2 – 14.9) is the normal area planted to the other two crops during the rest of the season.

Oilseed planting was below last year as farmers shifted a part of their cultivable land from oilseeds to more profitable crops such as cotton, pulses (short-duration black gram), forage crops, and vegetable crops. Erratic rainfall and long dry spells delayed re/planting operations, particularly from June through mid-July (the peak planting period). Note: *The above planting data is from Ministry of Agriculture (MinAg), Government of India (GOI) and is for crop year 2017 (July-June).*

Assuming a normal output for *rabi* (winter) sown oilseeds, total oilseed production (minor oilseeds not included) for MY 2017/18 is now marginally revised to 36.1 MMT on 37.6 million hectares. A higher than anticipated yield estimate, particularly for *kharif* peanuts, helped raise total oilseed production from only a marginal rise in its planted area. Earlier, the August estimate carried MY 2017/18 oilseed production and area estimate at 35.9 MMT on 37 million hectares.

The domestic oilseed consumption estimate is now raised three percent to 36.2 MMT to reflect current food use estimates and also to include some additional quantity replanted during the season. The total oilseeds crush estimate, however, will remain flat at 27.7 MMT; it follows that ‘oilmeals and edible oils’ production and consumption estimate will remain unchanged as well.

MY 2017/18 Soybean Production Unchanged at 10 MMT

The MY 2017/18 soybean production estimate remains unchanged at 10 MMT on 10.6 million hectares, pending further availability of accurate market data. Average market prices of soybeans in the last 12 months have softened 16 percent to INR 27,000 per metric ton. Bean prices currently are down 25 percent year on year. Owing to a fall in market prices, the Farmer Welfare and Agriculture Department, Madhya Pradesh (MP), recently launched a pilot scheme called 'Chief Minister's PDFS'.

PDFS:

Under the scheme, farmers who are registered with any of some 3500 Primary Agriculture Credit Cooperative Societies will get compensation if the price of a notified crop falls below the Minimum Support Price (MSP). However, benefits are limited to losses defined by the amount the modal price is below MSP. If modal price is above the MSP than benefits will not apply and similarly if market price falls below modal price than only the difference between MSP and modal price will be paid. For the above scheme, the modal price of an eligible crop will be calculated as the average of modal prices in MP and two other comparator states but will be applicable for sales made within prescribed window. For example, the sale window for soybean is open from October 16, 2017 to December 31, 2017. Other *kharif*-2017 crops covered under the scheme are peanuts, sesame, niger seed, corn, pigeon pea, green gram and black gram.

Concurrently, if a farmer does not wish to sell his produce during the prescribed sales window (e.g., for better price discovery), he can chose to store his produce in licensed warehouse for a period of four months for which he will be eligible to get a grant of INR 9.90 per quintal per month against actual payment made, which should be less than its MSP. No payment will be made to unregistered farmers or to those who sell their produce outside the scheme. The scheme was approved by the state Cabinet in August 2017 to cover price risk of farmers who had been agitating for few months against falling agriculture commodity prices. Further, any decision to include current *rabi* season and subsequent season crops will be taken only after review of the ongoing pilot scheme (Source: PDFS).

MY 2017/18 Peanut Production Revised Up to 7 MMT on 5.2 Million Hectares

Post currently estimates peanut production and area for MY 2017/18 at 7 MMT on 5.2 million hectares. The summer planting is assumed to be normal. Previously, the peanut production was forecast at 6.6 MMT on 4.8 million hectares. Post revisited its earlier estimate based on field visits and consultation with farmers' and industry sources. Gujarat is now expected to contribute 3.2 MMT of peanuts on 1.62 million hectares, indicating higher than anticipated yield of 2 metric tons/hectare. Post's August oilseed report estimated peanut yield at 1.85 tons/hectare.

Factors that favored better yields were: low incidence of insect and pest attacks, favorable weather conditions during the 'pegging through pod formation' stage, even rainfall distribution during critical growth periods, and better agronomic practices adopted by farmers.

The higher yields were partially offset by floods in July 2017: farmers from north Gujarat needed to replant peanuts and apportion some parts of cultivable land to crops such as castor, fodder and pulses. Higher average yield estimates also partially compensated for a net decline in area planted to peanuts in other major growing states such Andhra Pradesh, Karnataka, Madhya Pradesh and Maharashtra.

Latest Trade Data Indicate MY 2016/17 Oilmeal Exports at 2 MMT

The MY 2016/17 oilmeal exports (excludes rice bran and castor meal) are marginally raised from an earlier estimate of 1.8 MMT to 2 MMT to indicate revised trade data which also includes surface transport to Pakistan, Bangladesh, Bhutan, Myanmar and Nepal. Of total oilmeal sales, 1.6 MMT is soymeal. The MY 2017/18 oilmeal export forecast remains unchanged at 2.4 MMT. The future direction of export sales, however, will depend on competitiveness of Indian oilmeals in the international markets and local demand from poultry integrators.

Table 1. India: Oilmeal Exports, Metric Tons

	Soybean meal	Rapeseed meal	Peanut meal	Sunflower meal	Total
Oct-16	3,177	23,720	514	0	27,411
Nov-16	51,805	12,304	411	0	64,520
Dec-16	160,949	2,292	513	0	163,754
Jan-17	111,060	2,261	296	0	113,617
Feb-17	207,977	22,858	362	0	231,197
Mar-17	107,059	7,666	310	0	115,035
Apr-17	124,374	35,850	0	0	160,224
May-17	48,900	56,107	0	0	105,007
Jun-17	45,975	58,899	0	0	104,874
Jul-17	80,797	14,753	205	0	95,755
Aug-17	81,079	50,649	208	0	131,936
Sep-17	102,212	64,198	205	0	166,615
Surface Transport (Oct-16 to Sept 2017)	492,000	49,200	0		541,200
Oct 16-Sept-17	**1,617,364**	**400,757**	**3,024**	**0**	**2,021,145**
Oct 15-Sept-16	121,565	241,384	1,008	0	363,957
% Change	1230	66	200		455

Source: Solvent Extractors' Association (SEA) of India and Global Trade Atlas

Refined Oil's Share in Import Basket for MY 2016/17 has Risen 33 Percent to 3 MMT; Sunflower Oil Imports up 62 Percent.

The MY 2017/18 edible oil import forecast remains unchanged at 16.6 MMT. The MY 2016/17 forecast for edible oil imports now stands at 15.1 MMT, up 21 percent above last year. Of total imports, 20 percent was refined palm oils, up almost 33 percent from last marketing year on the narrow price difference from crude oils. Compared to last marketing year, the import of sunflower oil has risen by 62 percent to 2.1 MMT as its prices were attractive compared to soy oil. India's monthly requirement is about 1.75 MMT and normal practice is to hold 30 days stock; current stocks are over 2.6 MMT, some 44 days of requirements (SEA press release).

Table 2. India: Edible Oil Imports, 1000 Metric Tons

	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	**Oct 16-Sept-17**	Oct 15 - Sept-16	% Change
RBD palm-olein	222	241	246	197	233	219	232	294	241	294	264	262	2,945	2,211	33
Crude palm oil	514	557	473	408	498	454	511	492	572	515	600	652	6,248	5,007	25
Crude palm olein	0	473	0	0	0	0	0	0	0	0	0	0	0	0	
Crude Palm kernel oil	3	408	4	4	4	7	9	12	7	11	5	18	87	71	23
Total palm oil	**739**	**801**	**723**	**609**	**736**	**680**	**753**	**799**	**820**	**820**	**869**	**932**	**9,281**	7,289	**27**
Crude soybean oil	278	164	232	167	252	230	305	340	291	468	290	357	3,374	3,564	5
Refined soybean oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total soy oil	**278**	**164**	**232**	**167**	**252**	**230**	**305**	**340**	**291**	**468**	**290**	**357**	**3,374**	3,564	**5**
Crude sun oil	97	158	186	215	209	182	235	155	169	201	133	197	2,137	1,316	62
Refined sun oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total sun oil	**97**	**158**	**186**	**215**	**209**	**182**	**235**	**155**	**169**	**201**	**133**	**197**	**2,137**	1,316	**62**
Canola Rape oil	44	32	33	18	37	0	32	29	13	0	45	15	299	272	10
Cottonseed Oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Saflower oil	0	0	0	0	0	6	0	0	0	0	0	0	6	0	
Coconut oil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grand Total	1,158	1,156	1,174	1,008	1,234	1,098	1,324	1,324	1,294	1,489	**1,337**	**1,501**	**15,097**	12,441	21

Source: Solvent Extractors' Association (SEA) of India

Current Status of *Rabi* Crop Planting

Generally, only pulse crop planting has outpaced other winter crops when compared to its corresponding period (see Table below) last year. For oilseeds in particular, states such as Madhya Pradesh, Bihar, Karnataka, Gujarat, Haryana, and Odisha have reported higher planting. Planting is down in Rajasthan, Uttar Pradesh, Maharashtra, Andhra Pradesh and Telangana. Note: the planting of major winter crops is underway as of the date of this report.

Current water storage across major reservoirs in:		
Northern Region →	Better than 'corresponding → period of last year'	Equal to 'average storage of last ten years during corresponding period'
Central Region →	Less than ------ ''----------- →	Below its ------''---------
Western Region →	Less than ------ ''----------- →	Equal to ------ ''-----------
Eastern Region →	Less than ------ ''----------- →	Better than ------ ''-----------
Southern Region →	Better than ------ ''---------- →	Below its ------''---------

Source: As reported in latest CWWG report from MinAg, GOI

Table 3. India: *Rabi* Planting Progress as on November 23, 2017, in Million Hectares

Crops	Area planted in 2017/18*	Area planted in 2016/17	Normal of Corresponding Week	Normal Rabi Area
Rapeseed & Mustard	**5.13**	**5.78**	5.58	6.09
Peanut	**0.25**	**0.24**	0.23	0.82
Sunflower	**0.11**	**0.09**	0.22	0.43
Wheat	**11.06**	**12.63**	14.45	30.17
Pulses	**10.14**	**8.90**	8.87	13.95

Source: CWWG Nov 24, 2017.pdf

Statistical Tables:

Production, Supply and Demand Data Statistics:

Table 4. India: Commodity, Oilseed, Soybean, PSD
(Area in 1000 hectares and production in 1000 metric tons)

Oilseed, Soybean	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	11665	11650	11700	11400	10500	10600
Area Harvested	11665	11650	11400	11400	10500	10600
Beginning Stocks	200	200	138	68	798	588
Production	6929	7000	11500	10500	10000	10000
MY Imports	53	52	100	50	100	60
MY Imp. from U.S.	0	12	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	7182	7252	11738	10618	10898	10648
MY Exports	134	134	270	180	180	200
MY Exp. to EU	30	19	25	20	25	20
Crush	5700	5400	9200	8000	9000	8500
Food Use Dom. Cons.	360	550	550	650	350	580
Feed Waste Dom. Cons.	850	1100	920	1200	880	1100
Total Dom. Cons.	6910	7050	10670	9850	10230	10180
Ending Stocks	138	68	798	588	488	268
Total Distribution	7182	7252	11738	10618	10898	10648
CY Imports	64	0	60	0	60	60
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	150	0	250	0	250	250
CY Exp. to U.S.	90	0	90	0	90	90

Yield	0.594	0.6009	1.0088	0.9211	0.9524	0.9434

Table 5. India: Commodity, Meal, Soybean, PSD
(Units in 1000 metric tons, Extraction rate in Percent)

Meal, Soybean	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	5700	5400	9200	8000	9000	8500
Extr. Rate, 999.9999	0.8	0.8	0.8	0.8	0.78	0.8
Beginning Stocks	553	553	119	142	486	149
Production	4560	4320	7360	6400	7020	6800
MY Imports	45	40	7	7	7	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	5158	4913	7486	6549	7513	6949
MY Exports	409	121	2000	1600	1700	1600
MY Exp. to EU	124	0	175	0	200	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	160	450	250	400	350	450
Feed Waste Dom. Cons.	4470	4200	4750	4400	5100	4700
Total Dom. Cons.	4630	4650	5000	4800	5450	5150
Ending Stocks	119	142	486	149	363	199
Total Distribution	5158	4913	7486	6549	7513	6949

Table 6. India: Commodity, Oil, Soybean, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)

Oil, Soybean	2015/2016		2016/2017		2017/2018	
Market Begin Year	Oct 2015		Oct 2016		Oct 2017	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	5700	5400	9200	8000	9000	8500
Extr. Rate, 999.9999	0.1798	0.1759	0.1799	0.175	0.18	0.1741

Beginning Stocks	521	521	512	835	267	525
Production	1025	950	1655	1400	1620	1480
MY Imports	4269	4367	3400	3700	4100	4200
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	5815	5838	5567	5935	5987	6205
MY Exports	3	3	0	10	0	15
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	5300	5000	5300	5400	5600	5800
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	5300	5000	5300	5400	5600	5800
Ending Stocks	512	835	267	525	387	390
Total Distribution	5815	5838	5567	5935	5987	6205

Table 7. India: Commodity, Oilseed, Peanut, PSD
(Area in 1000 hectares and production in 1000 metric tons)

Oilseed, Peanut	**2015/2016**		**2016/2017**		**2017/2018**	
Market Begin Year	**Oct 2015**		**Oct 2016**		**Oct 2017**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	4552	4500	5500	5500	5000	5200
Area Harvested	4552	4500	5300	5500	5000	5200
Beginning Stocks	501	501	301	293	402	243
Production	4470	4900	6700	6300	6500	7000
MY Imports	1	0	1	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	4972	5401	7002	6593	6902	7243
MY Exports	771	858	950	1050	1000	1000
MY Exp. to EU	20	20	20	25	20	25
Crush	2650	2600	3750	3300	3600	3500
Food Use Dom.	800	1200	1400	1500	1600	1800

Cons.						
Feed Waste Dom. Cons.	450	450	500	500	500	550
Total Dom. Cons.	3900	4250	5650	5300	5700	5850
Ending Stocks	301	293	402	243	202	393
Total Distribution	4972	5401	7002	6593	6902	7243
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	874	0	1000	0	800	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	0.982	1.0889	1.2642	1.1455	1.3	1.3462

Table 8. India: Commodity, Meal, Peanut, PSD
(Units in 1000 metric tons, Extraction rate in Percent)

Meal, Peanut	**2015/2016**		**2016/2017**		**2017/2018**	
Market Begin Year	**Oct 2015**		**Oct 2016**		**Oct 2017**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	2650	2600	3750	3300	3600	3500
Extr. Rate, 999.9999	0.42	0.4	0.42	0.4	0.4208	0.4
Beginning Stocks	0	0	0	0	0	0
Production	1113	1040	1575	1320	1515	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	1113	1040	1575	1320	1515	1400
MY Exports	6	1	8	3	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	5	5	5	5	3
Feed Waste Dom. Cons.	1102	1034	1562	1312	1502	1395
Total Dom. Cons.	1107	1039	1567	1317	1507	1398
Ending Stocks	0	0	0	0	0	0
Total Distribution	1113	1040	1575	1320	1515	1400

Table 9. India: Commodity, Oil, Peanut, PSD
(Unit in 1000 metric tons and Extraction rate in Percent)

Oil, Peanut	**2015/2016**		**2016/2017**		**2017/2018**	
Market Begin Year	**Oct 2015**		**Oct 2016**		**Oct 2017**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	2650	2600	3750	3300	3600	3500
Extr. Rate, 999.9999	0.3302	0.34	0.3307	0.34	0.3306	0.3429
Beginning Stocks	92	92	82	54	142	51
Production	875	884	1240	1122	1190	1200
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	967	976	1322	1176	1332	1251
MY Exports	11	12	20	15	15	15
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	10	10	10	10	10	8
Food Use Dom. Cons.	864	900	1150	1100	1235	1200
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	874	910	1160	1110	1245	1208

Ending Stocks	82	54	142	51	72	28
Total Distribution	967	976	1322	1176	1332	1251

Table 10. India: Commodity, Oilseed, Sunflowerseed, PSD
(Area in 1000 hectares and production in 1000 metric tons)

Oilseed, Sunflowerseed	**2015/2016**		**2016/2017**		**2017/2018**	
Market Begin Year	**Oct 2015**		**Oct 2016**		**Oct 2017**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	483	500	381	347	315	387
Area Harvested	483	500	381	347	315	387
Beginning Stocks	0	0	0	0	0	0
Production	320	440	275	285	255	326
MY Imports	2	0	3	0	2	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	322	440	278	285	257	326
MY Exports	3	0	5	0	4	0
MY Exp. to EU	0	0	0	0	0	0
Crush	280	390	240	245	218	280
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	39	50	33	40	35	46
Total Dom. Cons.	319	440	273	285	253	326
Ending Stocks	0	0	0	0	0	0
Total Distribution	322	440	278	285	257	326
CY Imports	0	0	0	0	0	0
CY Imp. from U.S.	0	0	0	0	0	0
CY Exports	3	0	2	0	2	0
CY Exp. to U.S.	0	0	0	0	0	0
Yield	0.6625	0.88	0.7218	0.8213	0.8095	0.8424

Table 11. India: Commodity, Meal, Sunflowerseed, PSD (Units in 1000 metric tons, Extraction rate in Percent)						
Meal, Sunflowerseed	**2015/2016**		**2016/2017**		**2017/2018**	
Market Begin Year	**Oct 2015**		**Oct 2016**		**Oct 2017**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	280	390	240	245	218	280
Extr. Rate, 999.9999	0.4821	0.4795	0.4792	0.4816	0.4817	0.4821
Beginning Stocks	0	0	0	0	0	0
Production	135	187	115	118	105	135
MY Imports	184	185	300	150	250	100
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	319	372	415	268	355	235
MY Exports	4	0	3	0	5	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	315	372	412	268	350	235
Total Dom. Cons.	315	372	412	268	350	235
Ending Stocks	0	0	0	0	0	0
Total Distribution	319	372	415	268	355	235

Table 12. India: Commodity, Oil, Sunflower seed, PSD (Unit in 1000 metric tons and Extraction rate in Percent)						
Oil, Sunflowerseed	**2015/2016**		**2016/2017**		**2017/2018**	
Market Begin Year	**Oct 2015**		**Oct 2016**		**Oct 2017**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	280	390	240	245	218	280
Extr. Rate, 999.9999	0.375	0.3615	0.375	0.3633	0.3761	0.3607
Beginning Stocks	331	331	260	402	327	491
Production	105	141	90	89	82	101
MY Imports	1492	1530	2000	2000	1700	2000
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0

Total Supply	1928	2002	2350	2491	2109	2592
MY Exports	3	0	3	0	3	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1665	1600	2020	2000	1900	2200
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1665	1600	2020	2000	1900	2200
Ending Stocks	260	402	327	491	206	392
Total Distribution	1928	2002	2350	2491	2109	2592