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India

Oilseeds and Products Update

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Approved By:
Jonn Slette

Prepared By:
Amit Aradhey and Lisa Ahramjian

Report Highlights:

Assuming normal growing conditions through September, soybean production in marketing year (MY) 2016/17 (Oct-Sept) is estimated at 11.5 million metric tons (MMT). The most recent planting report from the Ministry of Agriculture (MinAg) indicates that soybeans were planted on 11.3 million hectares; future MinAg reports will likely reflect an increase in the area planted. Due to a return to the normal monsoon rainfall, soybean yields are expected to increase to the 5-year average. The estimated soybean oil imports in MY 2015/16 are raised to 4.3 MMT, which is the highest in the last decade. On the contrary, oilmeal exports are estimated at a historic low of 450,000 metric tons.

Post:

Commodities:

New Delhi

Oilseed, Soybean
Oil, Soybean
Meal, Soybean
Oilseed, Peanut
Oil, Peanut
Meal, Peanut
Oilseed, Sunflowerseed
Oil, Sunflowerseed
Meal, Sunflowerseed
Oil, Palm

Author Defined:

2016 *Kharif* Oilseed Planting 8 Percent above Last Year

The *kharif (*fall harvest) soybean, peanut, and sunflower crops were planted on 15.8 million hectares, which is seven percent above last year. Normal to above-normal rainfall during peak planting through mid-July encouraged farmers to plant additional hectares of oilseeds, particularly peanuts and soybeans[1].

State-Level Changes: Compared to last year, soybean planting in Madhya Pradesh (MP) declined five percent, with farmers shifting some cultivable area from soybeans to corn, paddy, and lentils. In Maharashtra (MH), farmers shifted some cotton area to soybeans, increasing the area planted for soybeans by 4.2 percent. On average, these states contribute 54 and 32 percent of total soybean production respectively. In addition, several states reported new soybean plantings: Gujarat, Telangana, Karnataka and, to a lesser extent, Uttar Pradesh and Uttarakhand.

Soybeans: Assuming normal growing conditions through September (harvest period), the soybean production estimate for MY 2016/17 is increased from 11 MMT to 11.5 MMT. The assessment is preliminary and is based on the prevailing weather conditions, which seem optimal. The most recent planting report from the MinAg indicates that soybeans were planted on 11.3 million hectares; future MinAg reports will likely reflect an increase in the area planted. Due to a return to the normal monsoon rainfall, soybean yields are expected to increase to the 5-year average. According to spatial analysis, the surface and sub-surface soil moisture levels remain higher than last year and the crop looks healthy. The normal monsoon rains have increased reservoir levels (see GAIN IN6104) and the capacity for irrigation in MP and MH. However, reservoir levels in Gujarat and Rajasthan are still lacking.

India received normal rainfall during the first two months of the 2016 southwest monsoon season (June-September). However, on August 1, the Indian Meteorological Department forecast rainfall to be 107 percent above the long period average for the second half (August and September) of the monsoon season. In past, the yield and quality of soybeans were adversely affected by abnormal weather conditions (e.g., sporadic, heavy and untimely rains, little or poor sunshine during critical growth stages, and poor drainage). This was particularly true when soybeans were in reproductive and advanced stages of maturity and the increased incidence of pests, diseases, and weeds decreased the productive recovery

[1]All planting data is from the MinAg, Government of India (GOI) and is for crop year 2016 (July-June).

of soybeans.

Peanuts: The MY 2016/17 forecast for peanut area and production is increased to 5 million hectares and 5.8 MMT respectively. This revision reflects higher than anticipated *kharif* season plantings in Gujarat (which contributes 40 percent of total *kharif* peanut production), Andhra Pradesh, and Maharashtra. The latest planting report indicates *kharif* peanut planting at 4.3 million hectares, thirty two percent above last season. The summer planting is assumed to follow the 5-year average. Similarly, the area planted peanut area for MY 2015/16 is increased to 4.3 million hectares. However, the production is decreased to 4.6 MMT due to dry conditions from prior poor monsoon seasons.

Sunflowers: Similarly, assuming normal growing conditions during the 2016 *rabi* (winter-sown) season, the MY 2016/17 forecast for total sunflower area and production are decreased to 385,000 hectares and 335,000 metric tons respectively. The latest planting report indicates that the *kharif* sunflower crop was planted on 141,000 hectares compared to 75,000 hectares planted last season. Interestingly, in last decade, sunflower crop has lost more than a million hectares of cultivable land, presumably to other, more remunerative crops. The annual decline in production is estimated at 13 percent.

Refined Palm and Crude Soybean Oil Are Bulk of Imports

India will import 15.3 MMT of edible oils in MY 2015/16, 10 percent above last year. Refined palm and crude soybean oil remain the bulk of imports, with reduced import of other edible oils compared to last year. Importers preferred to stock refined palm oil due to narrowing price differences between crude and refined palm oil. Based on the latest import trend, the projection for MY 2015/16 palm oil imports are reduced to 9.1 MMT. Conversely, soybean oil imports are projected to 4.3 MMT, which is the highest in last decade. Factors contributing to increased imports include a relatively stable exchange rate, attractive international prices and lower availability of oilseeds for crushing.

It is notable that these increased imports continued amidst the GOI's September 17, 2015 action to increase the import duty on both crude and refined edible oils by five percent to the current 12.5 percent and 20 percent respectively. The projection for MY 2016/17 edible oil imports is marginally raised to 15.6 MMT to reflect latest estimates.

Indian Oilmeal Exports at Historic Lows

Cheaper imports of edible oils and strong prices of oilseeds (short-supply) provided no or very little incentive for oilseed millers to crush oilseeds for meal. MY 2015/16 oilmeal exports (which exclude rice bran and castor meal) are revised lower to a historic-low of 450,000 metric tons. Although average export (FOB) prices of Indian oilmeals have tapered since October 2015, Indian meals are still out-priced in the international market. Traditional buyers of Indian meal switched to cheaper supplies from prominent sources.

The oilmeal export basket for MY 2015/16 will include 160,000 metric tons of soymeal and 240,000 metric tons of rapeseed meal and 'other' meals (Table 2). Further, the capacity utilization for oilseed millers is at the lowest in the past three years, causing many crushing plants to close.

Assuming normal market conditions, the MY 2016/17 oilmeal export forecast remain unchanged at 2.6 MMT. However, the future direction of export sales will depend on competitiveness of Indian oilmeals in the international markets and local demand from the growing poultry sector.

Table 1. India: Edible Oil Imports, 1000 Metric Tons

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	**Oct 15-Jun-16**	Oct 14 - Jun-15	% Change
RBD palm-olein	229	232	230	150	178	208	326	261	190	2,003	1,057	90
Crude palm oil	878	627	551	530	423	429	399	392	416	4,645	5,551	16
Crude palm olein	0	551	0	0	0	0	0	0	0	0	0	
Crud palm ker oil	9	530	8	8	9	5	12	4	1	71	109	35
Total palm oil	**1,116**	**874**	**788**	**688**	**610**	**643**	**736**	**657**	**607**	**6,719**	6,716	**0**
Crude soyoil	405	262	491	441	382	322	348	178	386	3,215	1,723	87
Refined soyoil	0	0	0	0	0	0	0	0	0	0	0	0
Total soyoil	**405**	**262**	**491**	**441**	**382**	**322**	**348**	**178**	**386**	**3,215**	1,723	**87**
Crude sun oil	113	178	103	118	87	185	101	150	147	1,182	1,238	4
Refined sun oil	0	0	0	0	0	0	0	0	0	0	0	0
Total sun oil	**113**	**178**	**103**	**118**	**87**	**185**	**101**	**150**	**147**	**1,182**	1,238	**4**
Canola Rape oil	16	25	26	7	17	27	51	19	18	206	275	25
Cottonseed Oil	0	0	0	0	0	0	0	0	0	0	0	0
Saflower oil	0	0	0	0	0	0	0	0	0	0	0	
Coconut oil	0	0	0	0	0	0	0	0	0	0	0	
Grand Total	1,650	1,338	1,407	1,255	1,096	1,176	1,236	1,005	1,159	**11,323**	9,952	14

Source: Solvent Extractors' Association (SEA) of India

Table 2. 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
Feb-16	1,127	9,803	496	0	11,426
Mar-16	430	7,260	0	0	7,690
Apr-16	1,442	14,163	0	0	15,605
May-16	1,015	3,090	0	0	4,105
Jun-16	2,672	43,636	115	0	46,423
Surface Transport	51,600	33,200	0	0	84,800
Oct 15-June-16	**84,806**	**112,721**	**611**	**0**	**198,138**
Oct 14-June-15	1,134,389	641,532	2,541	0	1,778,462
% Change	-93	-82	-76		-89

Source: SEA of India
Surface transport: to neighbors (Oct to June)

Production, Supply and Demand Data Statistics:

Table 3. India: Commodity, Oilseed, Soybean, PSD						
Oilseed, Soybean	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	11000	10908	11650	11610	11700	11300
Area Harvested	11086	10908	11399	11610	11700	11300
Beginning Stocks	789	789	797	765	106	502
Production	8711	8700	7000	7000	11400	11500
MY Imports	11	11	30	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	9511	9500	7827	7777	11526	12017
MY Exports	234	235	150	100	250	200
MY Exp. to EU	25	20	30	25	25	25
Crush	6800	6600	5871	5400	8800	8500
Food Use Dom. Cons.	630	650	640	575	650	650
Feed Waste Dom. Cons.	1050	1250	1060	1200	1100	1300
Total Dom. Cons.	8480	8500	7571	7175	10550	10450
Ending Stocks	797	765	106	502	726	1367
Total Distribution	9511	9500	7827	7777	11526	12017
(1000 HA) ,(1000 MT)						

Table 4. India: Commodity, Meal, Soybean, PSD						
Meal, Soybean	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6800	6600	5871	5400	8800	8500
Extr. Rate, 999.9999	0.8	0.8065	0.8005	0.8	0.8	0.8
Beginning Stocks	592	592	227	575	127	485
Production	5440	5323	4700	4320	7040	6800
MY Imports	7	0	10	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	4937	4895	7167	7285
MY Exports	1072	1140	110	160	1700	2000
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	240	450	270	650
Feed Waste Dom. Cons.	4500	3700	4460	3800	4800	4400
Total Dom. Cons.	4740	4200	4700	4250	5070	5050
Ending Stocks	227	575	127	485	397	235
Total Distribution	6039	5915	4937	4895	7167	7285
(1000 MT) ,(PERCENT)						

Table 5. India: Commodity, Oil, Soybean, PSD						
Oil, Soybean	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	6800	6600	5871	5400	8800	8500
Extr. Rate, 999.9999	0.1771	0.1758	0.1771	0.1759	0.177	0.1765
Beginning Stocks	246	246	199	206	344	656
Production	1204	1160	1040	950	1558	1500
MY Imports	2799	2800	4000	4300	3300	3400
MY Imp. from U.S.	2	2	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	4249	4206	5239	5456	5202	5556
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.	4050	4000	4892	4800	4900	5200

Cons.						
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	4050	4000	4892	4800	4900	5200
Ending Stocks	199	206	344	656	302	346
Total Distribution	4249	4206	5239	5456	5202	5556
(1000 MT) ,(PERCENT)						

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

Oilseed, Peanut	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	4600	4560	4500	4300	4000	5000
Area Harvested	4743	4560	4560	4300	4800	5000
Beginning Stocks	903	903	318	709	178	494
Production	4855	5200	4470	4600	5000	5800
MY Imports	0	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	5758	6104	4788	5309	5178	6294
MY Exports	870	645	680	575	850	750
MY Exp. to EU	20	20	20	20	20	30
Crush	3400	3050	2700	2600	2900	3200
Food Use Dom. Cons.	790	1200	790	1200	850	1400
Feed Waste Dom. Cons.	380	500	440	440	400	500
Total Dom. Cons.	4570	4750	3930	4240	4150	5100
Ending Stocks	318	709	178	494	178	444
Total Distribution	5758	6104	4788	5309	5178	6294
(1000 HA) ,(1000 MT)						

Table 7. India: Commodity, Meal, Peanut, PSD

Meal, Peanut	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	3400	3050	2700	2600	2900	3200
Extr. Rate, 999.9999	0.4	0.4	0.4	0.4	0.4	0.4
Beginning Stocks	0	0	0	0	0	0
Production	1360	1220	1080	1040	1160	1280
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	1360	1220	1080	1040	1160	1280

MY Exports	8	3	8	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.	1347	1207	1067	1033	1147	1268
Total Dom. Cons.	1352	1217	1072	1038	1152	1278
Ending Stocks	0	0	0	0	0	0
Total Distribution	1360	1220	1080	1040	1160	1280
(1000 MT) ,(PERCENT)						

Table 8: Commodity, Oil, Peanut, PSD

Oil, Peanut	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	3400	3050	2700	2600	2900	3200
Extr. Rate, 999.9999	0.34	0.34	0.34	0.34	0.34	0.3406
Beginning Stocks	30	30	29	37	27	10
Production	1156	1037	918	884	986	1090
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	1186	1067	947	921	1013	1100
MY Exports	15	15	20	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.	1132	1000	890	890	950	1050
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1142	1015	900	900	960	1060
Ending Stocks	29	37	27	10	33	25
Total Distribution	1186	1067	947	921	1013	1100
(1000 MT) ,(PERCENT)						

Table 9. India: Commodity, Oilseed, Sunflower seed PSD

Oilseed, Sunflowerseed	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	550	525	550	446	400	385
Area Harvested	584	525	550	446	400	385
Beginning Stocks	0	0	0	0	0	0

Production	383	435	320	390	350	335
MY Imports	1	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	384	435	320	390	350	335
MY Exports	6	0	4	0	4	0
MY Exp. to EU	0	0	0	0	0	0
Crush	323	380	270	340	300	300
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	55	55	46	50	46	35
Total Dom. Cons.	378	435	316	390	346	335
Ending Stocks	0	0	0	0	0	0
Total Distribution	384	435	320	390	350	335
(1000 HA) ,(1000 MT)						

Table 10. India: Commodity, Meal, Sunflower seed, PSD

Meal, Sunflowerseed	**2014/2015**		**2015/2016**		**2016/2017**	
Market Begin Year	**Oct 2014**		**Oct 2015**		**Oct 2016**	
India	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Crush	323	380	270	340	300	300
Extr. Rate, 999.9999	0.4799	0.4789	0.4815	0.4794	0.48	0.48
Beginning Stocks	0	0	0	0	0	0
Production	155	182	130	163	144	144
MY Imports	32	0	80	0	40	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	187	182	210	163	184	144
MY Exports	4	0	5	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.	183	182	205	163	179	144
Total Dom. Cons.	183	182	205	163	179	144
Ending Stocks	0	0	0	0	0	0
Total Distribution	187	182	210	163	184	144
(1000 MT) ,(PERCENT)						

Table 11. India: Commodity, Oil, Sunflower, PSD

Oil, Sunflowerseed	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 2015		Oct 2016	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Crush	323	380	270	340	300	300
Extr. Rate, 999.9999	0.3622	0.3553	0.363	0.35	0.36	0.35
Beginning Stocks	305	305	249	170	144	219
Production	117	135	98	119	108	105
MY Imports	1531	1530	1550	1530	1800	1800
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from EU	0	0	0	0	0	0
Total Supply	1953	1970	1897	1819	2052	2124
MY Exports	4	0	3	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	1700	1800	1750	1600	1920	1900
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	1700	1800	1750	1600	1920	1900
Ending Stocks	249	170	144	219	132	224
Total Distribution	1953	1970	1897	1819	2052	2124
(1000 MT) ,(PERCENT)						

Table 12. India: Commodity, Oil, Palm, PSD

Oil, Palm	2014/2015		2015/2016		2016/2017	
Market Begin Year	Oct 2014		Oct 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	446	377
Production	180	180	200	200	200	220
MY Imports	9256	9287	9250	9150	10250	9800
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	10096	9977	10896	10397
MY Exports	0	0	0	0	0	0
MY Exp. to EU	0	0	0	0	0	0
Industrial Dom. Cons.	500	500	600	600	700	700
Food Use Dom. Cons.	8750	8800	9050	9000	9800	9300
Feed Waste Dom. Cons.	0	0	0	0	0	0
Total Dom. Cons.	9250	9300	9650	9600	10500	10000
Ending Stocks	646	627	446	377	396	397
Total Distribution	9896	9927	10096	9977	10896	10397

(1000 HA) ,(1000 TREES) ,(1000 MT)						