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Pakistan

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Oilseed and Products Update 2019

Report Categories:
Trade Policy Monitoring
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Report Highlights:
Pakistan's purchases of imported soybeans are estimated to reach at 2.0 million metric tons (MMT) during marketing year (MY) 2018/19, eight percent lower than last year. Reduced import levels reflect SPS and bioengineered regulatory uncertainty followed by the devaluation of Pakistan's currency compared to USD. Assuming an easing of regulatory and currency concerns, soybean imports during MY 2019/20 are projected at 2.5 MMT. Pakistan imports a steady volume soybeans to supply the livestock feed industry. Imports of soybean oil and palm oil are up 54 percent and nine percent, offsetting the supply gap from reduced imports of canola and sunflower seed followed by the lower production of domestic cotton crop.

General Information:

A Forecast Decline in Soybean Imports—Longer-Term Fundamentals Favor Growth

Pakistan's soybean imports are expected to reach 2.0 MMT during MY 2018/19, eight percent less over the preceding year. The reduction in soybean imports is mainly due to the uncertainty of sanitary and phytosanitary (SPS) and genetically engineered product requirements, coupled with the devaluation of Pakistan's currency the rupee.

During early 2018, Pakistan's Department of Plant Protection and Quarantine (DPP) issued revised SPS regulations for imported agricultural commodities. USDA continues engaging with the authorities here on the regulatory process for imported products intended for food, feed and processing that does not interrupt trade. Concurrently, USDA is collaborating with officials to address concerns of genetically engineered products and a registration/approval process under consideration by the National Biosafety Committee (NBC). USDA and Pakistani authorities agreed that trade will continue while the relevant authorities complete the regulatory requirements.

The devaluation of the rupee against the U.S. dollar, reaching 40 percent during the past year, is another factor causing uncertainty by Pakistani soybean importers.

On the other hand, the development and modernization of Pakistan's poultry and dairy sectors due to consumer demand and population growth is generating demand for high-protein feed ingredients such as soybean meal. As a result, FAS Islamabad forecasts enhanced soybean imports during CY 2019/20 of 2.5 MMT.

Table 1: Oilseed Import Statistics: (Figures in Metric Tons)

Product	**MY 2017/18**	**MY 2018/19**				**MY 2018/19**
Items	Actual Data	(First Eight Months)	(June -Sept Booking)	Further Expectations	MY Total	(Projections)
Rapeseed/Canola	820,920	547,485	190,000	62,515	800,000	700,000
Sunflower seed	40,900	0	-	-	0	50,000
Soybeans	2,179,042	1,336,897	630,000	40,000	2,006,897	2,500,000
Sub-Total	3,040,862	1,884,382	820,000	102,515	2,806,897	3,300,000
Total	**3,040,862**	**2,806,897**				**3,250,000**

Purchases of rapeseed/canola through the first eight months of the MY 2018/19 were 547,485 MT and the total calendar year imports are estimated at 800,000 MT, slightly lower than last year. Availability and pricing play an important role in the decision to import oilseeds, but tastes and preferences also play a role given consumer preferences for the oils that are extracted from these high-oil-content seeds.

Edible Oil Imports and Consumption Increasing

Government of Pakistan import data for the first eight months of 2018/19 indicates that imports of soybean oil increased by 54 percent compared to a year ago. During the same period, palm oil imports also increased by nine percent. Significant increases in edible oil imports offset reduced imports of canola and sunflower seed followed by the lower production of domestic cotton crop. Palm oil dominates the imported vegetable oil market and is commonly blended with other oils and sold as cooking oil. A significant amount of soft oil available from soybean and canola crushing will augment the overall availability of edible oil in the country. Well-to-do consumers are gradually shifting from palm based hydrogenated oils to oilseed-based soft oil. In general, all signs point to sustained growth in demand for products within the oilseed complex.

Table 2: Soybean Oil Import Statistics (Figures in Metric Tons)

Months	MY 2013-14	My 2014-15	My 2015-16	My 2016-17	My 2017-18	My 2018-19
Oct	5,341	1,552	43,052	14,492	7,772	14,954
Nov	521	1,019	23,701	4,044	4,868	10,180
Dec	152	1,280	22,120	922	19,509	10,950
Jan	3,127	184	26,652	61	4,560	851
Feb	1,872	167	25,089	122	2,261	12,307
Mar	21,018	51	16,466	12,450	4,243	16,100
Apr	22,518	757	11,006	8,085	12,211	15,275
May	2,061	7,136	21,516	28,654	5,937	14,193
Sub Total	**56,610**	**12,146**	**189,602**	**68,830**	**61,361**	**94,810**
June	30,484	10,105	11,423	9,756	13,387	
July	6,025	11,141	19,570	55,389	6,319	
Aug	15,828	31,133	15,459	23,768	7,158	
Sept	11,317	31,240	20,936	21,937	16,309	
Total	**120,264**	**95,765**	**256,990**	**179,180**	**104,534**	**94,810**

Source: Pakistan Bureau of Statistics

Table 3: Palm Oil Import Statistics (Figures in Metric Tons)

Months	MY 2013-14	My 2014-15	My 2015-16	My 2016-17	My 2017-18	My 2018-19
Oct	192,258	213,467	283,740	204,972	257,530	230,673
Nov	208,051	212,248	212,491	224,912	244,538	278,579
Dec	152,900	214,094	187,913	242,219	249,638	252,662
Jan	210,709	162,916	211,624	237,227	244,565	302,127
Feb	169,017	188,103	237,795	226,052	200,684	251,453
Mar	165,341	196,993	365,734	255,491	295,288	280,738
Apr	186,156	173,743	214,633	217,555	269,672	270,838
May	157,618	211,668	257,672	261,326	232,553	302,717
Sub Total	**1,442,050**	**1,573,232**	**1,971,602**	**1,869,754**	**1,994,468**	**2,169,787**
June	213,093	278,197	199,104	219,032	223,513	
July	152,358	160,019	150,726	244,671	252,725	
Aug	198,131	256,208	204,712	259,004	225,275	
Sept	226,022	258,250	187,092	217,422	274,410	

Total	**2,231,654**	**2,525,906**	**2,713,236**	**2,890,063**	**2,970,391**	**2,169,787**

Source: Pakistan Bureau of Statistics