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GAIN Report

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Pakistan

Oilseeds and Products Update 2018

Approved By:

Casey Bean

Prepared By:

FAS Islamabad staff

Report Highlights:

Pakistan's soybean imports during 2017/18 reached a record 2.2 million metric tons (MMT) and are forecast at 2.6 MMT in 2018/19 based on preliminary bookings. Soybean meal imports diminished as importers shifted to soybeans due to the lower tariff, coupled with improved processing by the industry. Rapeseed imports are down 39 percent from a year ago at 724,000 MT. Imports of edible oils are lower than forecast as higher prices put downward pressure on demand. Increased imports and crushing of soybeans and canola also offset the need for edible oil imports. Imports of both palm oil and soybean oil are forecast lower, but Pakistan remains one of the world's largest vegetable oil importers.

Post:
Islamabad

Strong Demand Continues for Oilseeds

Pakistan's role as a major importer of soybeans continued in 2017/18, with imports rising to a record 2.2 MMT, up from zero only a few years ago. The lower tariff on soybeans versus soybean meal has been instrumental in the shift, thereby increasing throughput in the domestic crushing sector. Additionally, the development and modernization of Pakistan's poultry and dairy sectors are generating new demand for high-protein feed ingredients as inclusion of soybean meal in rations increases and overall demand rises. Pakistan's MY 2018/19 soybean imports are projected at a record 2.6 MMT. The booked cargoes through May 2019 total 1.1 MMT. Soybean meal imports dropped drastically with just 3,552 MT of imports in 2017/18, compared to 370,000 MT during the same period a year ago.

Table 1: Oilseed Import Statistics:

(Figures in Metric Tons)

Product	MY 2015/16	MY 2016/17	MY 2017/18	MY 2018/19	
Items	Actual Data	Actual Data	Actual Data	Projections	Booked So Far
Rapeseed/Canola	1,100,000	1,180,000	723,963	700,000	219,381
Sunflower seed	50,000	102,000	41,000	50,000	0
Soybeans	1,132,000	1,600,000	2,169,363	2,600,000	1,118,349
Total	2,282,000	2,882,000	2,934,326	3,350,000	1,337,730

Source: All Pakistan Solvent Extractor Association (APSEA) and FAS Islamabad

Edible Oil Imports Lower than Expected

According to the Government of Pakistan, 2017/18 imports of palm oil and soybean oil are slightly below expectations and did not cross 3.0 MMT benchmark. This decrease is mainly due to higher prices of these oils in the international market. Palm oil dominates the imported vegetable oil market and is commonly blended with other oils and sold as cooking oil. A significant amount of oil available from oilseed crushing will augment the overall availability of edible oil in the country. Pricing plays an important role in import decisions, but tastes, preferences, and branding also play a role as certain brands are based on soybean or canola oil as higher-income consumers' shift from hydrogenated to softer oils. Well-to-do consumers are gradually shifting from palm based hydrogenated oils to oilseed-based soft oil. In general, FAS Islamabad forecasts sustained growth in demand for products in the oilseed complex.

Table 2: Soybean Oil Import Statistics

(Figures in Metric Tons)

Months	MY 2012-13	MY 2013-14	My 2014-15	My 2015-16	My 2016-17	My 2017-18
Oct	1,698	5,341	1,552	43,052	14,492	7,772
Nov	3,640	521	1,019	23,701	4,044	4,868
Dec	143	152	1,280	22,120	922	19,509
Jan	2,106	3,127	184	26,652	61	4,560
Feb	24	1,872	167	25,089	122	2,261

Mar	2,065	21,018	51	16,466	12,450	4,243
Apr	8,040	22,518	757	11,006	8,085	12,211
May	13,330	2,061	7,136	21,516	28,654	5,937
June	360	30,484	10,105	11,423	9,756	13,387
July	9,868	6,025	11,141	19,570	55,389	6,391
Aug	12,311	15,828	31,133	15,459	23,768	7,158
Sept	2,181	11,317	31,240	20,936	21,937	16,309
Total	55,766	120,264	95,765	256,990	179,180	104,606

Source: Pakistan Bureau of Statistics

Table 3: Palm Oil Import Statistics

(Figures in Metric Tons)

Months	MY 2012-13	MY 2013-14	My 2014-15	My 2015-16	My 2016-17	My 2017-18
Oct	106,087	192,258	213,467	283,740	204,972	257,530
Nov	182,048	208,051	212,248	212,491	224,912	244,538
Dec	188,295	152,900	214,094	187,913	242,219	249,638
Jan	222,256	210,709	162,916	211,624	237,227	244,565
Feb	247,602	169,017	188,103	237,795	226,052	200,684
Mar	159,850	165,341	196,993	365,734	255,491	295,288
Apr	187,151	186,156	173,743	214,633	217,555	269,672
May	160,509	157,618	211,668	257,672	261,326	232,553
June	154,016	213,093	278,197	199,104	219,032	223,513
July	220,106	152,358	160,019	150,726	244,671	252,725
Aug	178,638	198,131	256,208	204,712	259,004	225,275
Sept	165,372	226,022	258,250	187,092	217,422	274,410
Total	2,171,930	2,231,654	2,525,906	2,713,236	2,890,063	2,970,391

Source: Pakistan Bureau of Statistics