



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 1/31/2002

GAIN Report #IN2005

India

Oilseeds and Products

Update - February 2002

2002

Approved by:

Weyland Beeghly

U.S. Embassy

Prepared by:

V. Shunmugam

Report Highlights:

An improved Indian oilseeds harvest has led to a 26 percent downturn in edible oil imports while enhancing meal exports.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], IN

Veg Oil Imports Slow On Increased Local Supplies

Note: Unless otherwise noted, comparisons are Oct-Dec 2001 (first quarter of MY 2001) with Oct-Dec 2000 (first quarter of MY 2000).

Vegetable oil imports dropped 26 percent to an estimated 898,000 tons in Oct-Dec 2001 due to firmer world prices and enhanced local production. Imports of palm products, estimated at 710,000 tons, were 80 percent of the total. Despite the recent slackening in soyoil imports, first quarter volumes were an estimated 171,000 tons, triple the Oct-Dec 2000 level. MY 01 soyoil imports are expected to continue to slump on firmer world prices and low cost palm product offerings. Trade sources suggest that despite the increased competitiveness of US soyoil (vis-a-vis South American supplies) in the second quarter of MY 01, ample domestic veg oil supplies arising from higher local production will cloud prospects for US soyoil. Sunflower oil imports fell by 86 percent to an estimated 14,000 tons in the first quarter of MY 01 (compared with year ago levels) due to higher world prices.

Meal Exports Surge On Enhanced Availabilities

MY 2001 Oct-Dec meal exports have increased by an estimated 27 percent to 1.07 million tons on enhanced availability of soy, rapeseed and peanut meal. Indian rape meal exports have more than tripled to an estimated 103,000 tons (compared with Oct-Dec 00) due to a low Chinese crush and tightening world supplies. First-quarter peanut meal exports rebounded to an estimated 40,000 tons on larger supplies and increased demand from Southeast Asian markets. Soymeal exports increased by 14 percent to an estimated 924,000 tons on a larger local crush plus enhanced world demand arising from the EU-BSE crisis and growing interest in non-GMO meal, especially in Southeast Asian markets.

GOI Notifies Procedure for Import of Edible Oils Under TRQ's

Following notification of a tariff rate quota (TRQ) for crude sunflower/safflower oil and refined rape/mustard oil in November 2001, the GOI has recently notified procedures for the same under the TRQ. According to the gazette notification, dated January 22, 2002 only the National Dairy Development Board (NDDDB), State Trading Corporation (STC), and the National Agricultural Cooperative Marketing Federation (NAFED) are eligible to use the quota, and then only if they make imports on behalf of actual users. These entities must apply in the prescribed format to the Exim Facilitation Committee in the Directorate General of Foreign Trade (DGFT). Completed applications must reach DGFT before February 11, 2002 and such imports must be completed by March 31, 2002 (end of Indian Fiscal Year). If these entities fail to make the imports within the stipulated time period, they become ineligible for quotas for any item for the next two years. The Exim Facilitation Committee, which allocates quotas among applicants, is to be chaired by the Director General of Foreign Trade, with representatives from Department of Revenue (Ministry of Finance), Department of Agriculture and Cooperation, Department of Animal Husbandry and Dairying, and the Edible Oil Commissioner.