

Record Import of Vegetable Oils during Oil Year 2008-09 86.6 Lakh Tons Valued at Rs. 28,000 Crores

Import of vegetable oil during oil year 2008-09 (Nov.'08 to Oct.'09) jumped by 37% to 86.6 lakh tons from 63.1 lakh tons for the same period of last year. Import of Vegetable Oils during October 2009 is reported at **667,276** tons compared to 826,848 tons for Oct.'08 i.e. **down by 19%**.

Import of Vegetable Oil (Edible & Non-edible) & Vanaspati:

The total import of vegetable oils i.e. Edible oil, Non-edible oil and Vanaspati for the year 2008-09 (Nov'08 to Oct'09) is a record imports since import opened in 1994 and reported at 86.6 lakh tons valued at approx. Rs.28,000 crores compared to 63.1 lakh tons last year valued at approx. Rs.25,000 crores. Import of Vanaspati reduced to 0.2 lakh tons compared to 0.5 lakh tons last year due to commercial disparity to import from neighbouring countries.

Import of Vegetable Oils (2004-05 To 2008-09)

(Qty. in Lakh Tons)

Vegetable Oils	2008-09	2007-08	2006-07	2005-06	2004-05
Edible Oils	81.8	56.1	47.1	43.0	50.4
Vanaspati (Est.)	0.2	0.5	2.5	3.0	2.0
Non-edible Oils (CPS, PFAD, CPKO & Others)	4.6	6.5	6.3	6.8	4.1
Total	86.6	63.1	55.9	52.8	56.5

The overall import of vegetable oil including vanaspati has increased by 23.5 lakh tons (37%) during the oil year over the previous year. The main reasons for sharp increase in imports of vegetable oil and its impacts are:

- Increase in per capita consumption of edible oils with rise in Income.
- High price elasticity – lower price has boosted the demand and consumption of low priced oils like palmolein.
- Zero import duty on crude edible oil and very nominal duty on refined palmolein have favoured the import over domestic oils at the expenses of Indian oilseed producers and crushers.
- Govt. schemes like mid-day meals, subsidized oil and unemployment scheme also boosted the demand.
- Depreciation of dollar v/s. rupee by 5% has made import more cheaper.
- Disparity in domestic seed crushing leading to poor capacity utilization and accumulation of stock.
- The profit margin of oilseed processors have deteriorated severely in new season and many plants are operating at much lower capacity to minimize the losses.

Quarterly Review:

It is surprising that even during peak domestic crushing season (Nov – April) import has not reduced and average import per quarter is nearly 20.0 lakh tons which can be seen from the following table.

Import of Vegetable Oils (Edible & Non-edible)

(2007-08 & 2007-08)

(Qty. in '000 Tons.)

Month	2008-09			2007-08			% Change
	Edible	Non-edible	Total	Edible	Non-edible	Total	
Nov.-Jan	2,095	94	2,189	1,082	165	1,247	+ 76%
Feb.- April	1,999	104	2,103	1,162	203	1,365	+ 50%
May - July	1,997	131	2,128	1,385	142	1,527	+ 39%
Aug.- Oct	2,092	131	2,223	1,979	138	2,117	+ 5%
Total	8,183	460	8,643	5,608	648	6,256	+ 38%

Import of Edible Oil:-

The total import of edible oil during November 2008 to October 2009 is reported at 81.83 lakh tons compared to 56.08 lakh tons last year and 47.15 lakh tons in 2006-07.

Import of Edible Oils (Nov.- Oct.)

(Qty. in 000' Tons)

Oil	2008-09 (Nov.-Oct.)	2007-08 (Nov.-Oct.)	2006-07 (Nov.-Oct.)	2005-06 (Nov.-Oct.)	2004-05 (Nov.-Oct.)
RBD Palmolein	1,240	731	115	113	423
Crude Palm Oil	5,187	4,044	2,994	2,373	2,360
Crude Palmolein	1	8	54	56	187

C.P.K.O.	108	26	10	27	33
Soybean Oil	990	759	1,323	1,703	2,002
Sunseed Oil	590	27	195	101	5
Rapeseed Oil	46	---	---	---	---
Coconut Oil	16	13	13	22	7
Other Oils	5	--	11	22	25
Total	8,183	5,608	4,715	4,417	5,042

The import of edible oils is up by 46% compared to previous year. Import of Crude Palm Oil has increased to 51.87 lakh tons from 40.44 lakh tons and RBD Palmolein jumped to 12.40 lakh tons from 7.31 lakh tons in previous year. Import of palm products including CPO and RBD Palmolein has increased to 65.35 lakh tons from 48.09 lakh tons last year i.e. up 36%. Soybean oil import has increased to 9.90 lakh tons from 7.59 lakh tons. Sunflower oil import jumped to 5.90 lakh tons from 27,000 tons. Rapeseed oil import reported at 46,000 tons after a gap of 5 years.

Import of Refined & Crude Oil Ratio:-

Import of refined oils (RBD Palmolein) has sharply increased from just 126,000 tons in 2006-07 to 12.4 lakh tons during 2008-09, thanks to lower duty coupled with reduction in international prices, pushed the import of refined oils. Refined oil represents about 15% of the total edible oil import which was just 3% in 2006-07.

Import of Refined & Crude Edible Oils (Ratio) (2004-05 To 2008-09)

(Qty.in '000 Tons)

Year (Nov.-Oct)	Refined Oils	%	Crude Oils	%	Total
2008-09	1,240	15%	6,943	85%	8,183
2007-08	731	13%	4,877	87%	5,608
2006-07	126	3%	4,589	97%	4,715
2005-06	135	3%	4,282	97%	4,417
2004-05	448	9%	4,594	91%	5,042

Import of Palm & Soft Oil Ratio:-

In view of nil import duty on CPO and 7.5% on RBD Palmolein (effective duty is only 4 to 5%), palm oil products import during November 2008 to October 2009 has further increased to 65.35 lakh tons compared to 48.09 lakh tons last year. The import of soft oils also increased to 16.48 lakh tons from 7.99 lakh tons in previous year.

Import of Palm Oil & Soft Oil (Ratio) (2004-05 To 2008-09)

(Qty. in '000 Tons)

Year (Nov-Oct)	Palm Oil		Soft Oil		Total
	(RBD Palmolein + CPO + Crude Olein + CPKO)	%	(Soybean+ Sunflower & Others)	%	
2008-09	6,535	80%	1,648	20%	8,183
2007-08	4,809	86%	799	14%	5,608
2006-07	3,172	67%	1,543	33%	4,715
2005-06	2,569	58%	1,848	42%	4,417
2004-05	3,003	60%	2,039	40%	5,042

Import of Non-edible Oils:

Import of Non-edible oils during November 2008 to October 2009 is reported at 459,599 tons compared to 647,685 tons during the same period last year i.e. down by 29%, due to higher import & domestic refining of CPO, leading to better availability of P.F.A.D. & C.P.S.

Import of Non-edible Oils (Nov.- Oct.)

(Qty. in Tons)

Oil	2008-09 (Nov.-Oct.)	2007-08 (Nov.-Oct.)	2006-07 (Nov.-Oct.)	2005-06 (Nov.-Oct.)	2004-05 (Nov.-Oct.)
P.K.F.A.D.	18,707	13,810	14,977	6,296	12,824
P.F.A.D.	269,881	368,424	255,446	200,674	108,014
C.P.S.	65,109	109,093	200,403	294,097	193,224
C.P.K.O.	96,071	97,126	91,698	135,162	52,445
Others	9,831	59,232	66,853	72,361	42,975
Total	459,599	647,685	629,377	708,590	409,482

We are enclosing herewith detailed statements of Import of Edible and Non-edible Oils for the period [November 2008 to October 2009](#) with comparative period for previous year for your kind information.