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MONTHLY REPORT - OCTOBER 2020

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**Edible oil**  
& Extractions Update

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# PORT ANALYSIS



## Edible oil Traffic at Indian Ports

(Qty in Million Tonnes)

Port Name	Apr-Aug 2020	Apr-Aug 2019	Variance Y-O-Y
ANGRE	0.000	0.021	-0.021
BUDGE BUDGE	0.099	0.214	-0.114
CHENNAI	0.405	0.467	-0.062
COCHIN	0.000	0.005	-0.005
HALDIA	0.968	1.145	-0.177
HAZIRA	0.135	0.016	0.118
JAIGAD	0.000	0.076	-0.076
JNPT	0.485	0.772	-0.286
KAKINADA	0.424	0.351	0.073
KANDLA	2.023	2.264	-0.241
KARWAR	0.074	0.062	0.012
KOLKATA	0.000	0.005	-0.005
KRISHNAPATNAM	0.715	0.601	0.114
MAGDALLA	0.032	0.353	-0.321
MANGALORE	0.448	0.353	0.095
MUMBAI	0.028	0.071	-0.043
MUNDRA	0.425	0.602	-0.177
NAGAPATTINAM	0.015	0.000	0.015
PARADIP	0.017	0.024	-0.007
PIPAVAV	0.000	0.012	-0.012
TUTICORIN	0.097	0.205	-0.108
VIJAYDURG	0.000	0.006	-0.006
<b>Grand Total</b>	<b>6.389</b>	<b>7.271</b>	<b>-0.881</b>



# Major Country Wise Edible Oil Imports **APRIL- AUG. 2020** (Qty in Million Tonnes)

COUNTRY	APR-AUG 2020
INDONESIA	1.862
ARGENTINA	0.995
UKRAINE	0.712
MALAYSIA	0.673
BRAZIL	0.190
RUSSIA	0.099
IRAQ	0.087
THAILAND	0.028
TURKEY	0.016
BLACK SEA PORTS	0.012
CHINA	0.009
ITALY	0.009
PAPUA NEW GUINEA	0.008
SAUDI ARABIA	0.003
SINGAPORE	0.002



# Top 20 Importers Of Edible Oil APRIL- AUG. 2020 (Qty in Metric Tonnes)

IMPORTER	APR-AUG 2020
ADANI WILMAR LTD.	1.076
EMAMI AGROTECH LTD.	0.486
GEMINI EDIBLES & FATS INDIA PVT. LTD.	0.286
GOKUL AGRI INTL. LTD.	0.215
RUCHI SOYA INDUS. LTD.	0.210
CARGILL INDIA PVT. LTD.	0.184
KANPUR EDIBLES PVT. LTD.	0.166
SANTHOSHI MATA EDIBLE OILS REFINERY PVT. LTD.	0.131
ADM AGRO INDUS. PVT. LTD.	0.118
SOUTH INDIA KRISHNA OILS & FATS PVT. LTD.	0.116
FRIGORIFICO ALANA PVT. LTD.	0.110
MANTORA OIL PRODUCTS PVT. LTD.	0.109
COFCO INTL.	0.099
MANGALORE REFINERY & PETROCHEMICAL LTD.	0.087
LOHIA EDIBLE OILS	0.079
3F INDUS. LTD.	0.071
BUNGE INDIA PVT. LTD.	0.071
LOUIS DREYFUS CO. PVT. LTD.	0.067
M. K. AGRO TECH LTD.	0.065
GURDAS EXPORT LTD.	0.063

NOTE: Above Statistics is drawn from data received from Port and Custom Authorities, while all information is believed to be correct, the editors of this compilation or JM Baxi do not guarantee the authenticity of data.



# Market Overview And Trends



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# HIGHLIGHTS



- India's mustard seeds production likely to rise, import may reduce
- With soft oils on the boil, imports on a high
- Dabur India forays in the edible oil segment
- India's Edible Oil Inventory Running 16% lower than Last Year
- Pulses, edible oil prices rise due to prolonged monsoon
- 'Change policies to increase production of edible oil in India'

# India's mustard seeds production likely to rise, import may reduce



- India's mustard seeds production is likely to rise while import of edible oil may reduce on account of the government's decision to ban blending of mustard oil with any other cooking oil with effect from October 1, according to leading industry player

Adani Wilmar, which sells cooking oil under Fortune brand, and Mother Dairy that markets edible oils under Dhara brand, hailed the decision, saying it will benefit both farmers and consumers. "This is a good decision. Consumers will get pure mustard oil now. Mustard oil is being blended with rice bran, soybean and palm oil," Adani Wilmar Deputy CEO Angshu Mallick told PTI. Now, an additional 5 lakh tonnes of mustard oil will be required to replace the other oils that were used for blending purpose, he said. "To produce 5 lakh tonnes of mustard oil, we will require 12-15 lakh tonnes of extra mustard seeds," Mallick said. The decision will encourage farmers of Rajasthan and other states to increase the area of coverage under mustard seeds, he said, adding that this would enhance farmers' income. The country's production of mustard seeds, which is grown in Rabi (winter season), stood at 91.16 lakh tonnes in 2019-20 crop year (July-June). India's overall vegetable oil imports could decline to around 134-135 lakh tonne in the 2019-20 oil year (November-October) from 149.1 lakh tonne in the previous year on lower demand because of Covid-19 pandemic. Mallick suggested that the food regulator will have to remain vigilant for ensuring compliance of this decision and stop blending illegally. A Mother Dairy spokesperson said: "This is certainly a positive development and in the best interest of consumers, farmers, as

well as ethical mustard oil players as consumers across large mustard oil markets such as Uttar Pradesh, Bihar and Madhya Pradesh, were misled with blended oil being sold in the name of pure mustard oil." Mother Dairy has always advocated for pure mustard oil, offering the right taste and aroma. By blending mustard oil, it disturbs the taste and properties of the oil, the spokesperson said. "In addition, with mustard being an indigenous crop, this restriction will also help the farmers in getting remunerative prices," the spokesperson said. Recently, the Food Safety and Standards Authority of India (FSSAI) wrote a letter to the commissioner of food safety of all states and Union Territories, directing that "blending of mustard oil with any other edible oil in India has been prohibited with effect from October 1, 2020" The edible oil manufacturers or processors, who have the license for production of blended edible vegetable oil with mustard oil, have been directed to sell their existing stocks of mustard oil/mustard seeds or any other edible oil as unblended cooking oils, the letter said. All such licensees have been asked to modify their FSSAI licenses. As per the FSSAI regulations, the blending of two edible oils is permitted, provided the proportion by weight of any edible vegetable oil used in the blending process is not less than 20 per cent. However, FSSAI said, "Now the government of India after due deliberations has directed FSSAI to prohibit blending in mustard oil and to facilitate manufacture and sale of pure mustard oil for domestic consumption in the public interest". The FSSAI said a draft regulation in this regard has been prepared but it will take some time to finalise the rules after taking stakeholders comment. "Meanwhile, to

implement the said direction of the government of India, it has been decided to operationalise these regulations with effect from October 1, 2020. No manufacturing of blended edible vegetable oil

with mustard oil as an ingredient shall be allowed with effect from this date," the FSSAI said.

Source: Deccan Herald



# With soft oils on the boil, imports on a high



- More home-cooking has seen rise in use of soya, sunflower oils over palm oil

The share of soybean oil and sunflower oil in the basket edible oils imported by India is likely to go up during the current oil year (November 2019-October 2020), if the trend of last few months is any indication. Of the total import of 10.90 million tonnes of vegetable oils during the period between November 2019 and August 2020, the share of soft oils (which include soybean and sunflower oil) stood at 5.10 million tonnes, that is 47 per cent, up from the 4.57 million tonnes or 37 per cent of the total of 12.32 million tonnes in November-August of 2018-19.

## Rise in imports

In the November-August period of 2019-20, import of soybean oil and sunflower oil went up by 13.46 per cent and 10.67 per cent, respectively. Data available with Solvent Extractors' Association (SEA) of India shows that the country imported 2.78 million tonnes of soyabean oil in the first 10 months of the oil year in 2019-20 as against 2.45 million tonnes in the corresponding period of 2018-19. Import of sunflower oil rose to 2.28 million tonnes as against 2.06 million tonnes last year. On the reasons for preference for soft oils, Venkata Phani, Director of the Mangaluru-based edible oil manufacturer Sri Anagha Refineries, told BusinessLine that the HoReCa segment was affected in the post-lockdown months, and this resulted in increase in home cooking and higher demand for soyabean and sunflower oils. Prashanth Kamath of Kamath Traders, an edible oil dealer from Mangaluru, said that nearly 90 per cent of the business of hotels and restaurants have been impacted and since more than 85 per cent of palm oil imports are used by the HoReCa segment, it has resulted in a drop in palm oil imports and share of soft oils going up in overall imports of edible oils. Citing the customer preference for different soft oils,

Venkata Phani said soyabean oil sells in the North and sunflower oil in the South. The increasing health consciousness among consumers is one reason for the increase in import of soft oils, he added.

## What the future holds

Asked about the future trends for soft oils, Sandeep Bajoria, Chief Executive Officer of the Sunvin Group – brokers and consultants in the oils and oilseeds trade – said India is estimated to import 2.50 million tonnes of sunflower oil during 2019-20 as against 2.376 million tonnes in 2018-19. The import of soyabean oil is estimated at 3.4 million tonnes in 2019-20 as against 3.026 million tonnes in the previous year. He said the import of palm oil is estimated at 7.5 million tonnes during 2019-20 as against 9.86 million tonnes in the previous year. With the above estimates, India is estimated to import a total of 13.450 million tonnes of edible oil in 2019-20. It had imported 15.321 million tonnes of edible oil in 2018-19. The share of soft oils in the total import of edible oils during the current oil year 2019-20 is estimated to reach 44.23 per cent as against 35.46 per cent in 2018-19.

## Price rally

The prices of soyabean and sunflower oils have increased by about 20 per cent since March. According to SEA data, the CIF price of imported crude soyabean oil increased from \$682 a tonne in March to \$806 a tonne in August. The CIF price of imported crude sunflower oil increased from \$723 a tonne in March to \$882 a tonne in August. Sudhakar Desai, President of Indian Vegetable Oil Producers' Association, explained the rally: "Due to lockdowns across the world and in India, the pipeline with dealers completely dried up. Added to this, Chinese buying of edible oils was also good."

Source: The Hindu Business Line



# Dabur India forays in the edible oil segment



- Launches cold pressed mustard oil priced at ₹220 a litre.

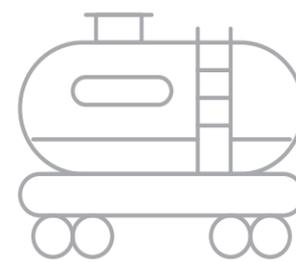
Dabur India on Monday said it is foraying in the edible oils space with the launch of its cold-pressed mustard oil, in a bid to strengthen its food business. The product is being exclusively launched on e-commerce platforms like Amazon and MilkBasket. The company has rolled out more than 40 products this year since the Covid-19 pandemic outbreak. Mohit Malhotra, Chief Executive Officer, Dabur India said, "Dabur is committed to introducing products that offer the best of nature for holistic health and well-being of every household. The launch of Dabur Cold Pressed Mustard Oil is another step forward

in this direction and is part of our strategy to increase the width and depth of our food business in India." The homegrown FMCG major said this launch was also in response to the government's push towards creating an Atmanirbhar Bharat. Dabur cold pressed mustard oil is priced at ₹220 for a 1-litre pack. Malhotra added that the product has been specially created to meet the growing consumer needs for healthier cooking oils."There has been a massive rise in health awareness and management of lifestyle in India. Consumers are today becoming more conscious of what they eat and are increasingly focusing on healthier diets and consumption of healthier cooking oils," he added.

Source: The Hindu Business Line



# India's Edible Oil Inventory Running 16% lower than Last Year



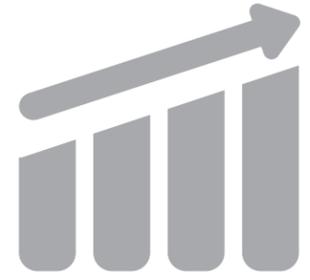
- Therefore imports rose in July and August months. Imports during June also remained strong. Imports of vegetable oils stood at 13.70 lakh tonnes in August 2020

India's Edible Oils Inventories till end of August 2020 were running nearly 16% lower than August 2019 and were almost unchanged in comparison to the previous month. Vegetable oil inventory in the country had reached historic lows after March as imported halted altogether when India had announced a complete lockdown. Though the off-take of vegetable oils edible oils has been adversely affected this year, due to the Pandemic subdued, but domestic demand started improving slowly as the lockdown restrictions eased, trade between state/country borders resumed. As a result, consumption of edible oils improved significantly. Trade estimates indicate that the June-end inventory of vegetable oils was roughly 25% lower than the same period last year. The supply pipeline was quite empty during this period and needed to be replenished quickly as domestic demand increased post lifting of lockdown restrictions. According to traders and solvent extractors, due to depleting stocks, nearly whole of the imported arrivals during June was absorbed. As a result supplies turned scarce, against improving demand situation. Therefore imports rose in July and August months. Imports during June also remained strong. Imports of

vegetable oils stood at 13.70 lakh tonnes in August 2020, as per the Solvent Extractors' Association of India (SEA) data. Similarly Edible oil imports stood at 13.08 lakh tonnes. While Vegetable oils are down 14% compared to August 2019, Edible oil imports are lower by 14.11% versus last year same period. The local edible oil imports had attained an 11 month high of 15.17 lakh tonnes during the month of July. Because of pandemic affected lower consumption from Hotel, Restaurant, Café, imports are overall down versus year on year. As compared to August 2019, India's palm oil imports in August 2020 have fallen by 13.9% to 7.34 lakh tonnes. Likewise Soy oil imports dropped by 10.4% year-on-year to 3.94 lakh tonnes for the same period in comparison. Total vegetable oils import during November 2019-August 2020 is also down by 13%. Imports in coming months is likely to continue, but may not rise much, in view of the forthcoming festival season but rising prices shall limit the imports buying interest Overall the festivals will be a little subdued this year as lockdown is not lifted completed since the pandemic is not yet under control. Comparing the stocks between August and July months, Palm oil stocks have fallen by 9%, although stocks of Soya Oil have increased by 40%. On the other hand Sun Flower Oil inventory is down by 9%.

Source: Krishijagran

# Pulses, edible oil prices rise due to prolonged monsoon



- Despite demand destruction, the year-on-year increase in price is 24% for groundnut oil, 37% for mustard oil, 26% for sunflower oil, 35% for refined palm oil and 17% for refined cottonseed oil. There will not be any relief from high edible oil prices at least until mid-October.

Two months to Diwali, prices of food commodities such as pulses and edible oil have risen persistently due to prolonged monsoon rains, which have also increased the likelihood of onion prices staying firm until November. The Centre's food support to the poor through the lockdown increased the demand for chana, causing its prices to head north. Meanwhile, Nafed has started offering moong to states to ease supplies. Nafed has sold 5 lakh tonnes of chana of the 9.73 lakh tonnes it has to supply under the Prime Minister Garib Kalyan Yojana (PMGKY) up to November 2020. Chana dal prices have increased from 45/kg in June to 65/kg to 70/kg in September. If the institutional consumption increases with opening up of hotels and restaurants, trade expects the prices to increase further by November/December. Nafed has started offering raw or milled moong

to states to tame the rising retail prices. It has also started procurement of moong of the new harvest. Despite demand destruction, the year-on-year increase in price is 24% for groundnut oil, 37% for mustard oil, 26% for sunflower oil, 35% for refined palm oil and 17% for refined cottonseed oil. There will not be any relief from high edible oil prices at least until mid-October. "As India is heavily dependent upon imported edible oil, domestic edible oil prices are moving in tandem with the international edible oil prices, which have been rising due to lower than expected production," said BV Mehta, executive director, Solvent Extractors Association (SEA) of India. "International prices of sunflower oil, soybean oil, palm oil are rising due to different reasons. There is also diversion of edible oil for production of biodiesel." Mehta expects that once the arrival of kharif groundnut and soybean gathers pace mid-October onward, edible oil prices may move lower. "The overall sentiments are bullish in the edible oil complex. Soybean oil futures are on a bull-run and steady on the way to approach its lifetime high amid reports of crop damage due to incessant rains," said Subranil Dey, a senior research analyst at SMC Global Securities.

Source: Economic Times

# 'Change policies to increase production of edible oil in India'



- Government should support the export of non-GM soybean meal

Girish Matlani, MD of Sonic Biochem Extractions Ltd. emphasized on need of changes in policy to increase the processing and production of Soybean oil in the country. He said that the government should support the export of non-GM soybean meal. Senior industry leader Matlani suggested that medium duration (100-110 days) soybean varieties should be promoted to withstand the late monsoon conditions. Value addition to soybean for encouraging other uses must be done. He was addressing the second day of the 3-day National Brainstorming Meet on Oilseed and Challenges of Industry. The meet is being organised by the city-based Indian Institute of Soybean Research. The technical session was chaired by Dr. DK Yadav, Assistant Director General (Seed), Indian Council for Agricultural Research New Delhi. Dr Ratan Sharma, Technical Representative, US Soybean Export Council was the Co-Chairman of the session. The meet was attended by around 170 delegates comprising those involved in development and dissemination of technologies related to major oilseed crops including representatives of the oilseed based industry houses. At the outset, Dr Nita Khandekar, Director (ICAR-Indian Institute of Soybean Research (IISR) Indore welcomed

the dignitaries including Chairman, Co-chairman, Directors of other Oilseed base ICAR Institutes located in different part of the country, industry representatives and other participants. Other speaker of the session was Dr. BV Mehta, Executive Director, The Solvent Extractions association of India. He gave an extensive overview on growth and development of the oil extractions and vegetable oil industry in India. He provided the data about the availability of local and imported edible oils, consumption and future scenario. Dr. Shelly Praveen, Head Division of Biochemistry, IARI, New Delhi also spoke on the occasion. Dr. GVS Sai Prasad, Principal Scientist at ITC Life Sciences and Technology discussed about post harvest food processing of oil seeds. He stressed on the increased utilization of processed food products to increase nutritional security. Dr Dinesh Bhosle, Regional Sales Director, South Asia, AB Vista deliberated on use of oil seed meal in animal feed industry. Four other speakers also lay stress on need of increasing productivity. However, at the end of the presentations, Dr. DK Yadav, chairman of the session summarized the proceedings of the session by emphasizing the need to follow the strategies of increasing the area under oilseed and increasing the per unit productivity of these crops.

Source: Free Press Journal

## Reports for October 2020

J. M. Baxi & Co. Monthly Agri Products Update

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