

Voluntary Report – Voluntary - Public Distribution

Date: January 23, 2023

Report Number: IN2023-0009

Report Name: India Discontinues Tariff Rate Quota on Soybean Oil and Extends Lower Duty in Refined Palm Oil Policy

Country: India

Post: New Delhi

Report Category: Oilseeds and Products, Trade Policy Monitoring

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Report Highlights:

On January 11, 2023, India's Ministry of Commerce and Industry/Directorate General of Foreign Trade (DGFT) issued Public Notice No. 50/2015-20. The notice specifies that India amended its previous tariff-rate quota of 2 million metric tons for crude soybean oil, previously allowable at a zero percent duty through Indian fiscal years (IFY) 2022/23 and 2023/24 (April 1-March 31). The Indian government has now revised its soybean oil TRQ to apply only to IFY 2022/23, with March 31, 2023 as the final date of allowable imports under the reduced quota. Separately, on December 28, 2022, the DGFT extended its import policy that gives indefinite concessional duties for refined palm oil product imports. The Indian government's measures are intended to support domestic soybean oil producers and will likely supplement sharply rising refined palm oil imports in marketing year 2022/23 (October-September).

DISCLAIMER: The information contained in this report was retrieved from the Ministry of Commerce and Industry/Directorate General of Foreign Trade <https://www.dgft.gov.in/CP/>. The Foreign Agricultural Service (FAS) Office of Agricultural Affairs at the U.S. Embassy in New Delhi, USDA and/or the U.S. government make no claim of accuracy or authenticity. The Government of India has not officially endorsed this report. Import approval for any product is subject to local rules and regulations as interpreted by Indian officials at the time of product entry. [Note: Use Google Chrome to access the links that do not open in Microsoft Edge. Indian government host sites will geo-block site access on a rolling basis].

GENERAL INFORMATION

On January 11, 2023, India's Ministry of Commerce and Industry/Directorate General of Foreign Trade (DGFT) issued Public Notice No. 50/2015-20. The notice states that the Indian government amended its previous tariff-rate quota (TRQ) of 2 million metric tons for crude soybean oil, previously allowable through Indian fiscal years (IFY) 2022/23 and 2023/24 (April 1-March 31). Now, the soybean oil TRQ is applicable only through the end of IFY 2022/23, with March 31, 2023 as the final date of allowable imports under the quota. Beginning April 1, 2023, soybean oil imports will incur a 5.5 percent import duty. India's TRQ for 2 MMT of sunflowerseed oil through IFY 2023/24 at a zero percent duty remains in effect. The Indian government's measures are meant to support domestic soybean oil producers and increase crush. Domestic soybean oil prices have stabilized following a turbulent 2022 for which the Indian government allowed concessional import duties on soybean and sunflowerseed oils to curb both high edible oil prices and rising inflation.¹ Soybean oil imports are forecast to drop in the near term due to higher domestic supply and higher edible oil stocks.

Refined Palm Oil Concessional Duties Extended

Previously, on December 28, 2022, the DGFT indefinitely extended its import policy that gives concessional duties for imported refined palm oil products, including refined, bleached, and deodorized (RBD) palm oil and RBD palmolein. According to the order, RBD palm oil product imports will remain at the reduced 12.5 percent basic customs duty until the government takes further action. The Indian government's measure will likely continue to encourage sharply rising palm oil imports as occurred in marketing year 2021/22 (October-September), which reached 2.1 MMT, a 174 percent year-on-year growth.² The continued lower import duty for refined palm oil has greatly benefitted domestic palm oil refineries who have favored refined RBD palm oil over crude palm oil due to the minimal difference in customs duties.³

The full text of each Ministry of Commerce and Industry/Directorate General of Foreign Trade Public Notices are accessible on the DGFT website located at: <https://www.dgft.gov.in/CP/>.

¹ See: USDA GAIN India, "Oilseeds and Products Update," [IN2022-0112](#).

² Source: [Business Standard](#), "India's palm oil imports in Dec jumps 94% YoY to record high for the month," published on January 4, 2023.

³ India's crude palm oil import duty remains at five percent, against the 12.5 percent duty for RBD palm olein.

APPENDIX I: CRUDE SOYBEAN OIL – DIRECTORATE GENERAL OF FOREIGN TRADE, PUBLIC NOTICE NO. 50/2015-20 (JANUARY 11, 2023)

TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY PART-I, SECTION-I]

Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade

Public Notice No. 50/ 2015-20
New Delhi, Dated 11th January 2023

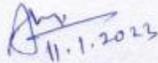
Subject: Discontinuation of Tariff Rate Quota for Import of Crude Soya bean Oil w.e.f. 01.04.2023 -reg.

In exercise of the powers conferred under Para 1.03 and 2.04 of the Foreign Trade Policy 2015-2020, the Director General of Foreign Trade hereby revises the provisions relating to Tariff Rate Quota (TRQ) for import of Crude Soya bean Oil by amending Para 2.60 and 2.61 of the Handbook of Procedures as notified earlier vide Public Notice 10/2015-20 dated 24.05.2022 and Public Notice 15/2015-20 dated 14.06.2022, as follows:

Para	Existing provision	Revised Provision		
2.60 (b)	Tariff Rate Quota (TRQ) Imports shall be allocated during financial years 2022-23 and 2023-24, up to quantities per year as indicated below. The duty exemption under the said TRQs may be availed as per Ministry of Finance (Department of Revenue) Notification No. 30/2022-Customs dated 24.05.2022.	Tariff Rate Quota (TRQ) Imports for items as indicated as follows, shall be allocated during financial year 2022-23 only		
		Item Description	ITC(HS)	TRQ per Year (in MT)
		Crude Soya-bean oil, w/n degummed	1507 10 00	20,00,000
		Item Description	ITC(HS)	TRQ per Year (in MT)
		Crude Soya-bean oil, w/n degummed	1507 10 00	20,00,000
2.60 (b)	Tariff Rate Quota (TRQ) Imports shall be allocated during financial years 2022-23 and 2023-24,	Tariff Rate Quota (TRQ) Imports for items as indicated as follows, shall be allocated during financial years 2022-23 and 2023-24,		
		Item Description	ITC(HS)	TRQ per Year (in MT)
		Crude Sunflower seed oil	1512 11 10	20,00,000
		Crude Sunflower seed oil	1512 11 10	20,00,000

		The duty exemption under the said TRQs may be availed as per Ministry of Finance (Department of Revenue) Notification No. 30/2022-Customs dated 24.05.2022
2.61(d)(ix)	The TRQs issued for financial year 2022-23 shall be valid for clearance of import for a period of one year or till 30th June 2023, whichever is earlier. TRQs issued for FY 2023-24 shall be valid for clearance of imports till 31st March, 2024	<p>The validity of TRQs issued during FY 2022-23 for import of Crude Soya-bean oil, w/n degummed under ITC(HS) 15071000 is revised to 31.03.2023. Bill of Lading dated on or before 31.03.2023 shall be allowed for imports under Crude Soya-bean oil TRQs till 30.06.2023.</p> <p>TRQs issued during FY 2022-23 for import of Crude Sunflower seed Oil under ITC(HS) 15121110 shall be valid for clearance of import for a period of one year or till 30.06.2023, whichever is earlier. TRQs issued for FY 2023-24 shall be valid for clearance of imports till 31.03.2024.</p>

Effect of Public Notice:Last date of Import of Crude Soya Bean Oil under TRQ has been revised to 31.03.2023. Further, no allocation of TRQs for import of Crude Soya bean Oil shall be made for the Financial Year 2023-24.


 (Santosh Kumar Sarangi)
 Director General of Foreign Trade &
 Ex- officio Addl. Secretary to the Government of India
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[Issued from File No. 01/89/180/36/AM-14/PC-2[A]/Part-II/E- 32035]

APPENDIX II: REFINED PALM OIL – DIRECTORATE GENERAL OF FOREIGN TRADE, PUBLIC NOTICE NO. 51/2015-20 (DECEMBER 28, 2022)

To be published in the Gazette of India Extraordinary Part-II, Section-3, Sub-Section (II)
 Government of India
 Ministry of Commerce & Industry
 Department of Commerce
 Directorate General of Foreign Trade

Notification No. 51 /2015-2020
 New Delhi, Dated: 28th December 2022

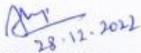
Subject: Amendment in import policy condition of items under HS Code 1511 90 of Chapter 15 of ITC (HS), 2022, Schedule – I (Import Policy).

S.O.: In exercise of powers conferred by Section 3 read with Section 5 of FT (D&R) Act, 1992, and read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby revises the import policy condition of the following items under HS Code 1511 90 of Chapter 15 of ITC (HS), 2022, Schedule – I (Import Policy), as under:

ITC(HS) Code	Item Description	Import Policy	Existing Policy condition	Revised Policy condition
1511 90	Other:			
15119010	Refined bleached deodorised palm oil	Free	Import is free for a period up to 31.12.2022. Imports are not permitted through any port in Kerala.	Import is free until further orders. Imports are not permitted through any port in Kerala.
15119020	Refined bleached deodorised palmolein	Free	Import is free for a period up to 31.12.2022. Imports are not permitted through any port in Kerala.	Import is free until further orders. Imports are not permitted through any port in Kerala.
15119090	Other	Free	Import is free for a period up to 31.12.2022. Imports are not permitted through any port in Kerala.	Import is free until further orders. Imports are not permitted through any port in Kerala.

Effect of the Notification: "Free" import policy of items under HS code 15119010, 15119020 and 15119090 is extended beyond 31.12.2022 until further orders.

This issues with the approval of Minister of Commerce & Industry.


 (Santosh Kumar Sarangi)
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 Ex- officio Addl. Secretary to the Government of India
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Attachments:

No Attachments.