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India

Oilseeds and Products Update

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Report Highlights:

Soybean production in marketing year (MY) 2015/16 (Oct-Sept) is forecast lower to 7.5 million metric tons (MMT) planted on 11.6 million hectares. This forecast, which would mark an all-time low, is based on abnormal weather conditions and consequent poor yields. As a result, oilseed supplies are relatively tight, oilmeal sales are adjusted to reflect latest estimates, and edible oil imports are raised to 14.8 MMT. Current rapeseed and mustard crop planting for MY 2015/16 lags behind last year, but the production forecast remains unchanged at 7.5 MMT.

Post:
New Delhi

Commodities:
Oilseed, Soybean
Meal, Soybean
Oil, Soybean
Oilseed, Rapeseed

Author Defined:

Soybean Production in MY 2015/16 Reduced to Historic Low of 7.5 MMT on Abnormal Weather Conditions and Consequent Poor Yield
Post revises down it's MY 2015/16 soybean production estimate to 7.5 MMT (a historic low) to include 'unaccounted crop losses' from unfavorable weather during 2015 monsoon season. The same was indicated previously (GAIN IN5129). However, soybean planted area remains unchanged at 11.6 million hectares (Government of India (GOI) estimate). Unfavorable weather-for a third consecutive year-will reduce yields and offset higher area planted for soybeans. Notably, India's average yield for soybeans has dropped by more than 40 percent over the last four years.

Uneven rainfall distribution, intermittent sunshine, and a lack of sufficient soil moisture during pod formation and pod filling will all be factors in this year's poor yield. Additionally, reports of sporadic weed and pest infestation have compounded the loss. Major soybean growing regions in central India received erratic rainfall during 2015 monsoon season (June-September). Many districts in Maharashtra (except Vidarbha) and Madhya Pradesh (except western MP) were declared drought affected and sought relief measures from the GOI. The rainfall deficit in this region was 16 percent below normal (long period average (LPA) of 975.5 mm).

Pan India, except for June, the 2015 monsoon rainfall deficit continued through September and became more acute during latter half. Rainfall levels during August and September were reported at 16 percent below LPA, reaching the third lowest level in the last 15 years (IMD: 2015 Southwest Monsoon Season Report).

Post also revises down soybean production for MY 2014/15 to 8.7 MMT to indicate lower than anticipated production from Madhya Pradesh. The crop size was reassessed based on yield estimates, market arrivals, and inventory along the value chain.

Total Oilseeds Crush in MY 2015/16 Reduced to 26 MMT
Due to lower than anticipated soybean production from the 2015 *kharif* season, and the consequent limited availability for crush to meal, Post reduces total oilseed crush for MY 2015/16 to 26 MMT, which is close to last year's level. Indian millers are also discouraged to crush beans because of the uncompetitive prices for Indian soymeal in the international market. However, end stocks remain close to the previous estimate, while food and feed waste utilization remains stable at previous levels.

Indian Oilmeal Exports Lowest in Decades, But Close to Last Year
The MY 2015/16 oilmeal exports (which excludes rice bran and castor meal) are revised lower to 2 MMT to reflect the latest estimates. Sluggish export demand for Indian soybean meal and limited availability of oilseeds will cap total oilmeal export sales. The Indian oilmeal export basket for MY

2015/16 is expected to include 800,000 metric tons of soymeal and 1.1 MMT of rapeseed meal. India generally exports what it produces on an annual basis. Amid tight oilmeal supply, India may be encouraged to import oilmeal to meet growing demand for food and feed.

India to Import Record 14.8 MMT Edible Oils in MY 2015/16

India's rising population and growing income levels, and tight domestic supplies should raise edible oil/vegetable imports in MY 2015/16 to a record 14.8 MMT, up 5.4 percent over last season.

Rapeseed and mustard crop planting is trailing behind last year but production forecast for MY 2015/16 currently remains unchanged at 7.5 MMT

According to the Indian Ministry of Agriculture, a total of 12.3 million hectares was planted under *rabi* (winter sown) crops, which is 23 percent below last year (see Table 1 below). Except for pulses and coarse cereals, the pace of winter crop planting lags behind last year. As of date of publication, planting remains underway for *rabi* season crops.

Of 3.1 million hectares planted to winter oilseed so far, the rapeseed and mustard crop was planted on 2.4 million hectares, peanut and sunflower on 0.15 and 0.18 million hectares, respectively and remaining area to minor oilseeds. Last year, rapeseed and mustard (major winter grown oilseed crop in India) were planted on 4.9 million hectares. Rajasthan, Haryana, and Uttar Pradesh have reported lower planting probably due to unfavorable planting conditions (above normal temperature). Rapeseed and mustard production forecast for MY 2015/16 currently remain unchanged at 7.5 MMT. Similarly, peanut and sunflower area and production estimates for MY 2015/16 also remain unchanged.

Table 1. India: *Rabi* Planting Progress as on November 13, 2015, In Million Hectares

Crop	Area planted in 2015/16*	Area planted in 2014/15*
Wheat	1.86	4.28
Pulses	3.89	3.44
Coarse cereals	3.45	2.77
Oilseeds	3.10	5.39
Rice	0.02	0.04
Total	12.32	15.92

Source: PIB press release

*: crop year July-June

Production, Supply and Demand Data Statistics:

Table 2. India: Commodity, Oilseed, Soybean, PSD

Oilseed, Soybean	2013/2014		2014/2015		2015/2016		
Market Begin Year	Oct 2013		Oct 2014		Oct 2015		
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	12,200	12,200	11,000	10,908	11,650	11,610	(1000 HA)
Area Harvested	12,200	12,000	10,908	10,908	11,650	0	(1000 HA)
Beginning Stocks	1,135	302	606	169	458	639	(1000 MT)
Production	9,500	9,500	9,000	8,700	9,500	7,500	(1000 MT)
MY Imports	4	0	2	0	0	0	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	(1000 MT)
Total Supply	10,639	9,802	9,608	8,869	9,958	8,139	(1000 MT)
MY Exports	183	183	250	200	300	200	(1000 MT)
MY Exp. to EU	21	0	25	20	30	25	(1000 MT)
Crush	8,300	7,600	7,100	6,200	7,300	6,000	(1000 MT)
Food Use Dom. Cons.	550	650	650	630	675	630	(1000 MT)
Feed Waste Dom. Cons.	1,000	1,200	1,150	1,200	1,250	1,200	(1000 MT)
Total Dom. Cons.	9,850	9,450	8,900	8,030	9,225	7,830	(1000 MT)
Ending Stocks	606	169	458	639	433	109	(1000 MT)
Total Distribution	10,639	9,802	9,608	8,869	9,958	8,139	(1000 MT)
CY Imports	5	0	0	0	0	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
CY Exports	200	10	200	200	200	200	(1000

							MT)
CY Exp. to U.S.	127	0	130	140	130	0	(1000 MT)

Table 3. India: Commodity, Meal, Soybean, PSD

Meal, Soybean	2013/2014		2014/2015		2015/2016		
Market Begin Year	Oct 2013		Oct 2014		Oct 2015		
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Crush	8,300	7,600	7,100	6,200	7,300	6,000	(1000 MT)
Extr. Rate, 999.9999	0.8000	0.8000	0.8000	0.8065	0.8000	0.8000	(PERCENT)
Beginning Stocks	347	580	202	235	104	195	(1000 MT)
Production	6,640	6,080	5,680	5,000	5,840	4,800	(1000 MT)
MY Imports	7	0	7	0	7	0	(1000 MT)
MY Imp. from	0	0	0	0	0	0	(1000 MT)

U.S.							
MY Imp. from EU	0	0	0	0	0	0	(1000 MT)
Total Supply	6,994	6,660	5,889	5,235	5,951	4,995	(1000 MT)
MY Exports	2,742	2,825	1,075	1,140	700	800	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	200	400	210	500	220	500	(1000 MT)
Feed Waste Dom. Cons.	3,850	3,200	4,500	3,400	4,950	3,500	(1000 MT)
Total Dom. Cons.	4,050	3,600	4,710	3,900	5,170	4,000	(1000 MT)
Ending Stocks	202	235	104	195	81	195	(1000 MT)
Total Distribution	6,994	6,660	5,889	5,235	5,951	4,995	(1000 MT)
CY Imports	7	0	7	0	7	0	(1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
CY Exports	2,950	3,800	3,000	3,800	2,000	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	(1000 MT)
SME	4,050	3,600	4,710	3,900	5,170	4,000	(1000 MT)

Table 4. India: Commodity, Oil, Soybean, PSD

Oil, Soybean	2013/2014		2014/2015		2015/2016		
Market Begin Year	Oct 2013		Oct 2014		Oct 2015		
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Crush	8,300	7,600	7,100	6,200	7,300	6,000	(1000 MT)
Extr. Rate, 999.9999	0.1781	0.1761	0.1768	0.1758	0.1770	0.1760	(PERCENT)
Beginning Stocks	248	521	255	488	260	578	(1000 MT)
Production	1,478	1,338	1,255	1,090	1,292	1,056	(1000 MT)
MY Imports	1,830	1,830	2,799	2,800	3,150	3,000	(1000 MT)
MY Imp. from U.S.	0	0	2	2	0	0	(1000 MT)
MY Imp. from EU	0	0	0	0	0	0	(1000 MT)
Total Supply	3,556	3,689	4,309	4,378	4,702	4,634	(1000 MT)

MY Exports	1	1	0	0	0	0	(1000 MT)
MY Exp. to EU	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	(1000 MT)
Food Use Dom. Cons.	3,300	3,200	4,049	3,800	4,450	4,300	(1000 MT)
Feed Waste Dom. Cons.	0	0	0	0	0	0	(1000 MT)
Total Dom. Cons.	3,300	3,200	4,049	3,800	4,450	4,300	(1000 MT)
Ending Stocks	255	488	260	578	252	334	(1000 MT)
Total Distribution	3,556	3,689	4,309	4,378	4,702	4,634	(1000 MT)
CY Imports	1,600	1,000	2,000	1,100	2,000	0	(1000 MT)
CY Imp. from U.S.	0	15	0	15	0	0	(1000 MT)
CY Exports	1	0	0	0	0	0	(1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	(1000 MT)