

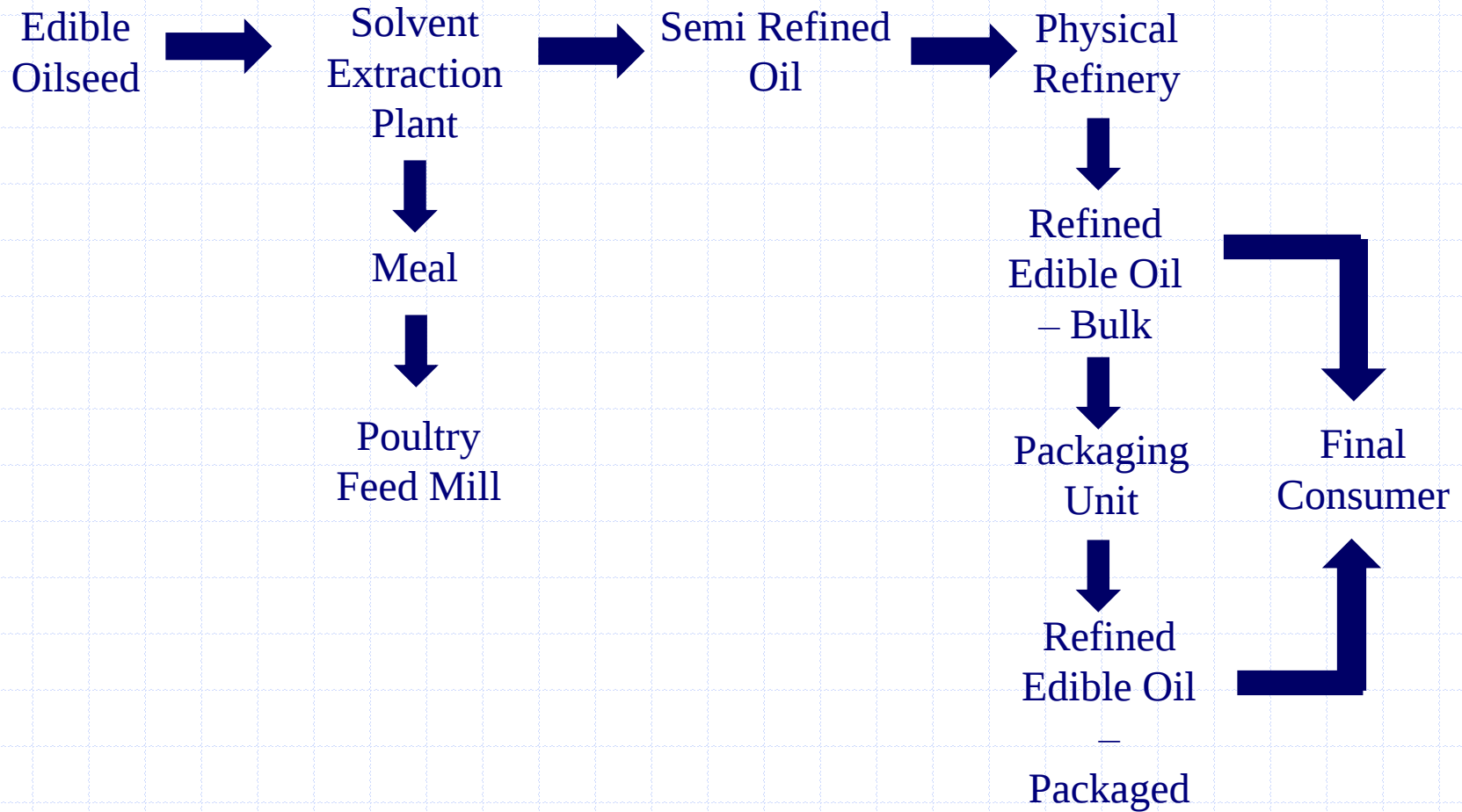
A still life composition featuring various bottles of oil, a bowl of olives, garlic, and red chili peppers on a wooden surface. The scene is set on a rustic wooden table. In the foreground, there's a large, clear glass bottle of olive oil lying on its side, with its white plastic cap removed. To its left, a small glass bowl contains dark olives and a sprig of rosemary. Next to the bowl are two heads of garlic. In the bottom right corner, two bright red chili peppers are visible. In the background, several other bottles of oil are standing, some with cork stoppers and others with plastic caps. A burlap sack is also visible in the background, adding to the rustic feel.

Food & Allied

Edible Oil Industry

February 2020

Industry | Process Flow



Industry | Inputs and Outputs

- **Input**

- Edible Oilseed variants
 - Soybean Seed
 - Canola Seed
 - Sunflower Seed
 - Rapeseed/Mustard Seed
 - Cottonseed
 - Corn

- **Output**

- Edible Oil
 - Semi-Refined/Crude
 - Refined
- Vegetable Ghee
- Edible Oilseed Meal



Global Dynamics



Industry | Snapshot

FY19

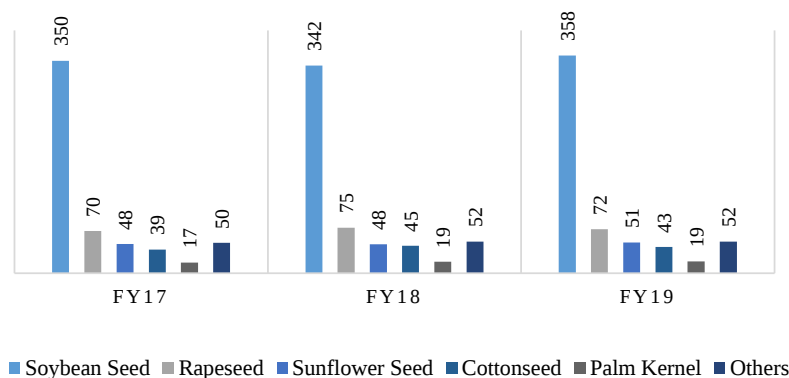
- Global Oilseed
 - Production | 597 MMT | Up by 3%
 - Crushing | 489 MMT | Up by 1%
 - Soybean and Rapeseed
 - Imports | 167 MMT | Down by 5%
 - Exports | 171 MMT | Down by 3%
- Global Oil
 - Production | 203 MMT | Up by 2%
 - Consumption | 200 MMT | Up by 4%
 - Imports | 82 MMT | Up by 10%
 - Export | 86 MMT | Up by 3%
- Palm Oil | principle driver in edible oil market
 - Strong demand growth
 - Limited growth in supply
 - Consumption grew ~ 6 MMT
 - Low palm oil prices
- In China | Import demand for all edible oils has accelerated
 - Reduction in oilseed crush
 - Lower demand for meals curbed local supplies



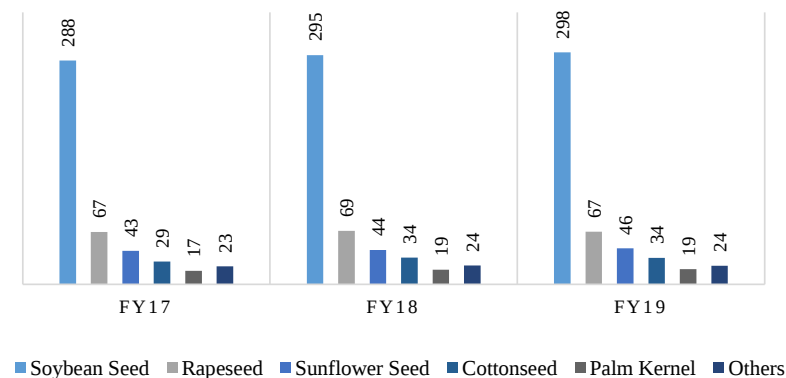
Industry | Edible Oilseed

Variant Wise View

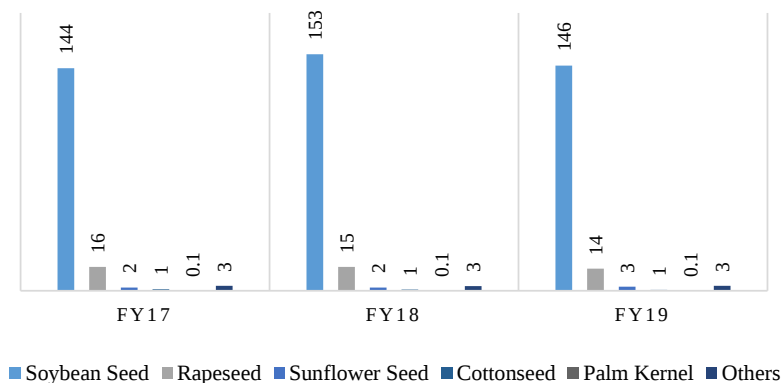
PRODUCTION (MMT)



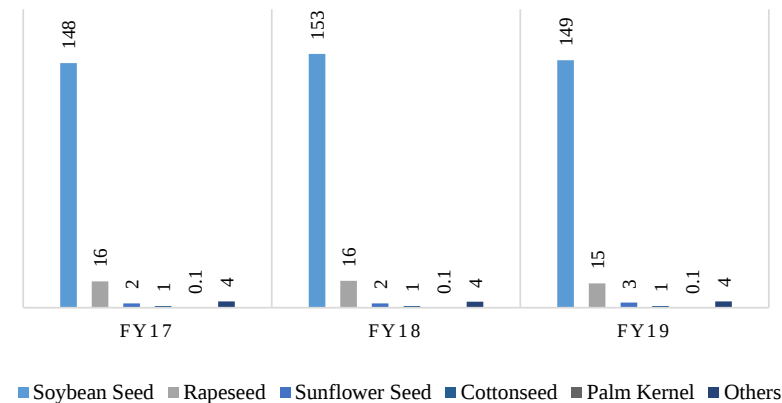
CAPACITY CRUSHED (MMT)



IMPORT (MMT)



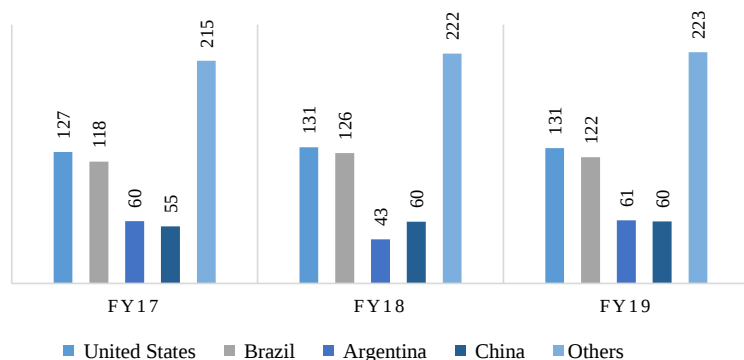
EXPORT (MMT)



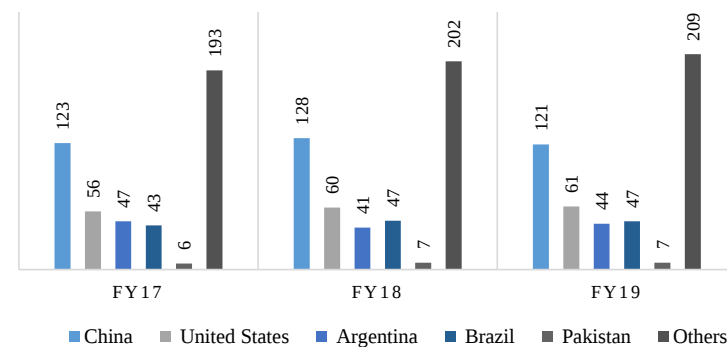
Industry | Edible Oilseed

Country Wise View

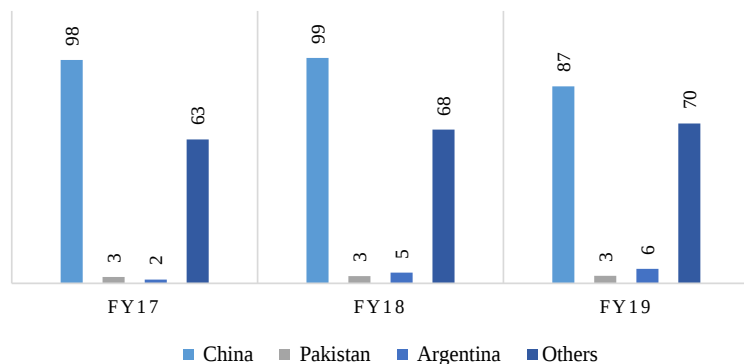
PRODUCTION (MMT)



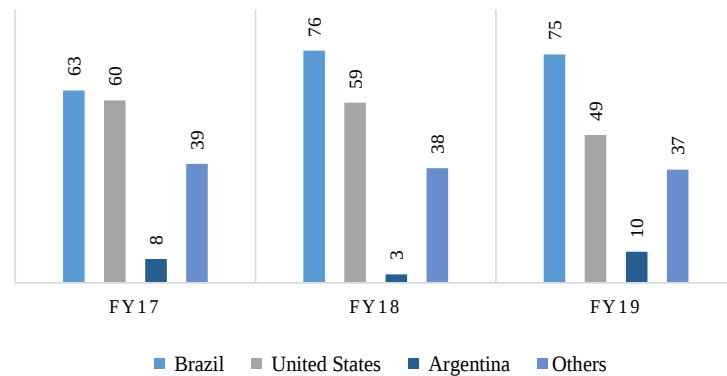
CAPACITY CRUSHED (MMT)



IMPORT (MMT)

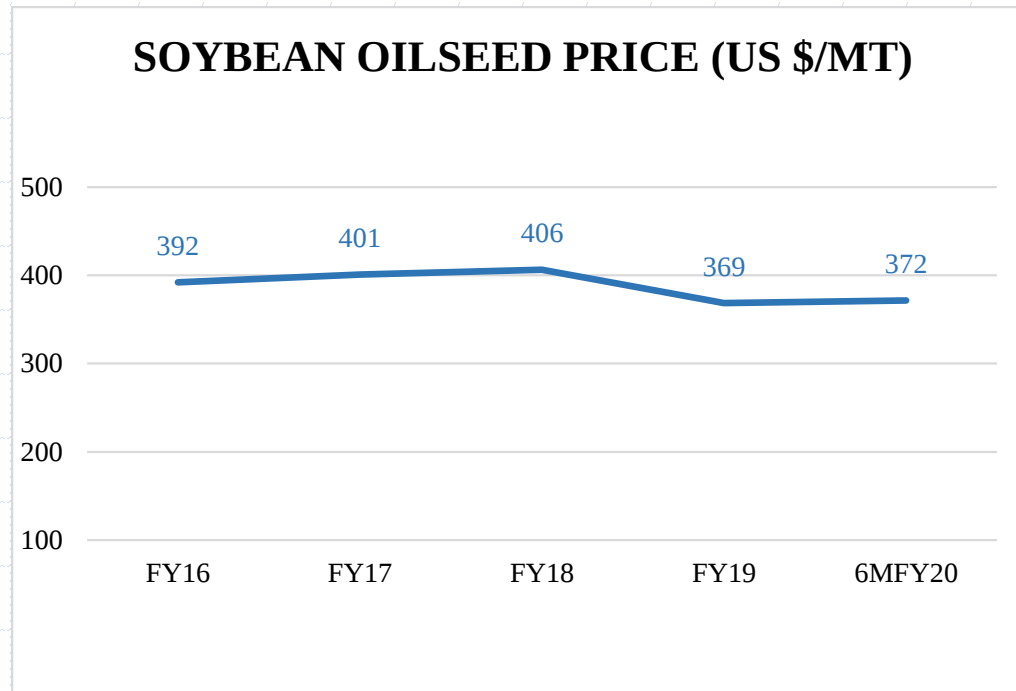


EXPORT (MMT)



Industry | Edible Oilseed

Price Trend

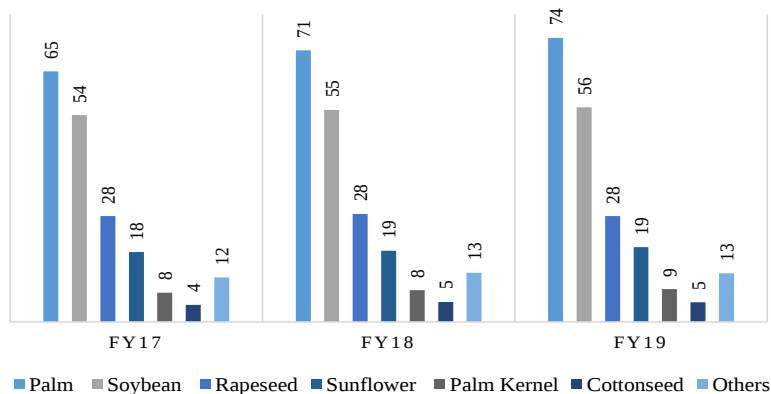


- Oilseed price index 
- US – China trade dispute - bearish impact on soybean oilseed prices

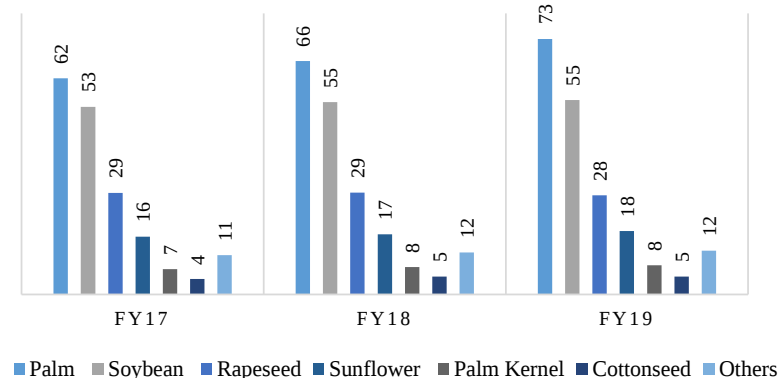
Industry | Edible Oil

Variant Wise View

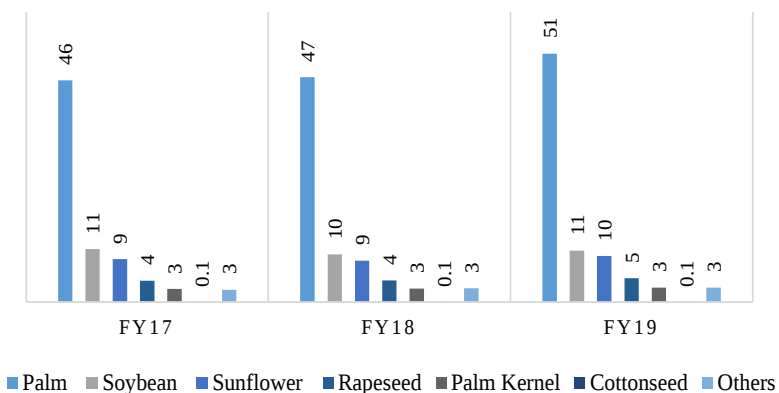
PRODUCTION (MMT)



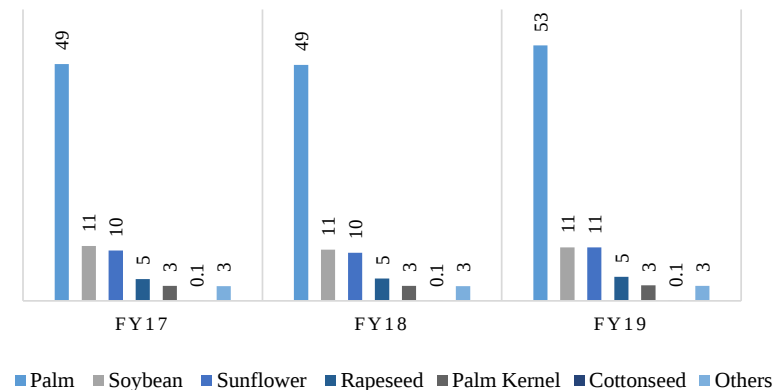
CONSUMPTION (MMT)



IMPORT (MMT)



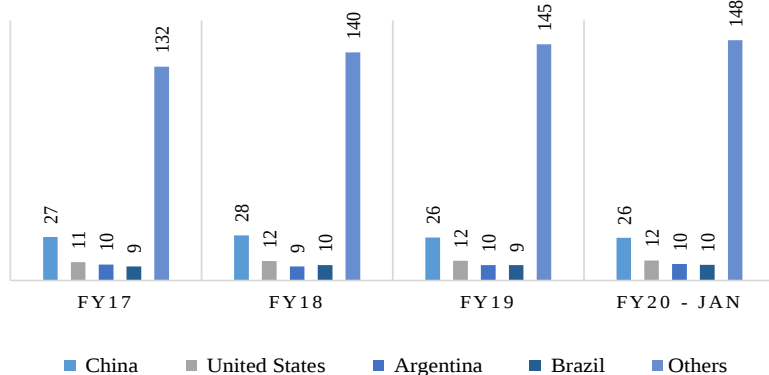
EXPORT (MMT)



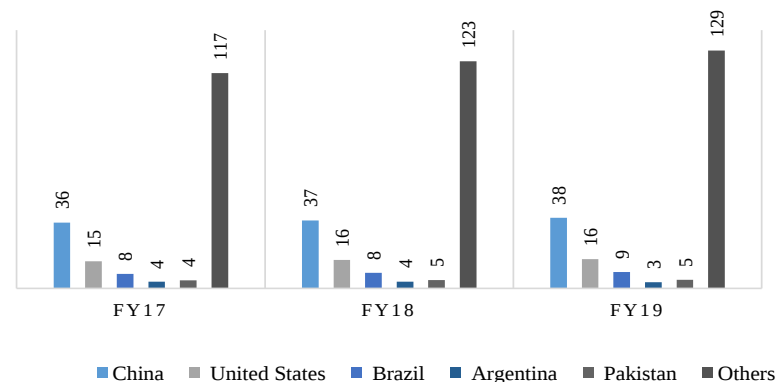
Industry | Edible Oil

Country Wise View

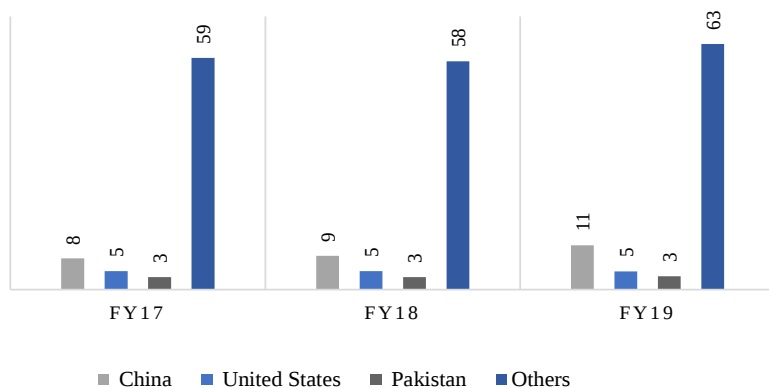
PRODUCTION (MMT)



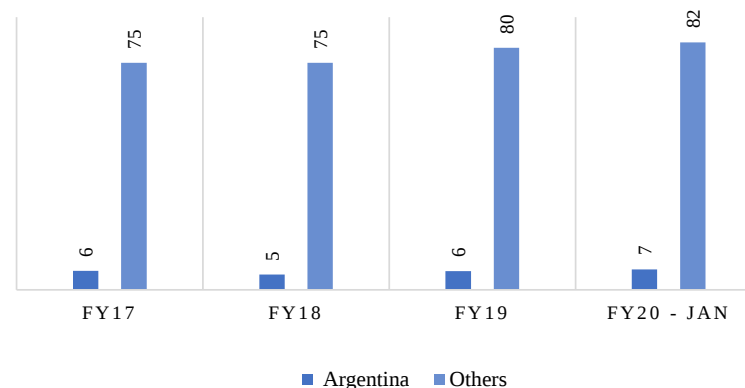
CONSUMPTION (MMT)



IMPORT (MMT)

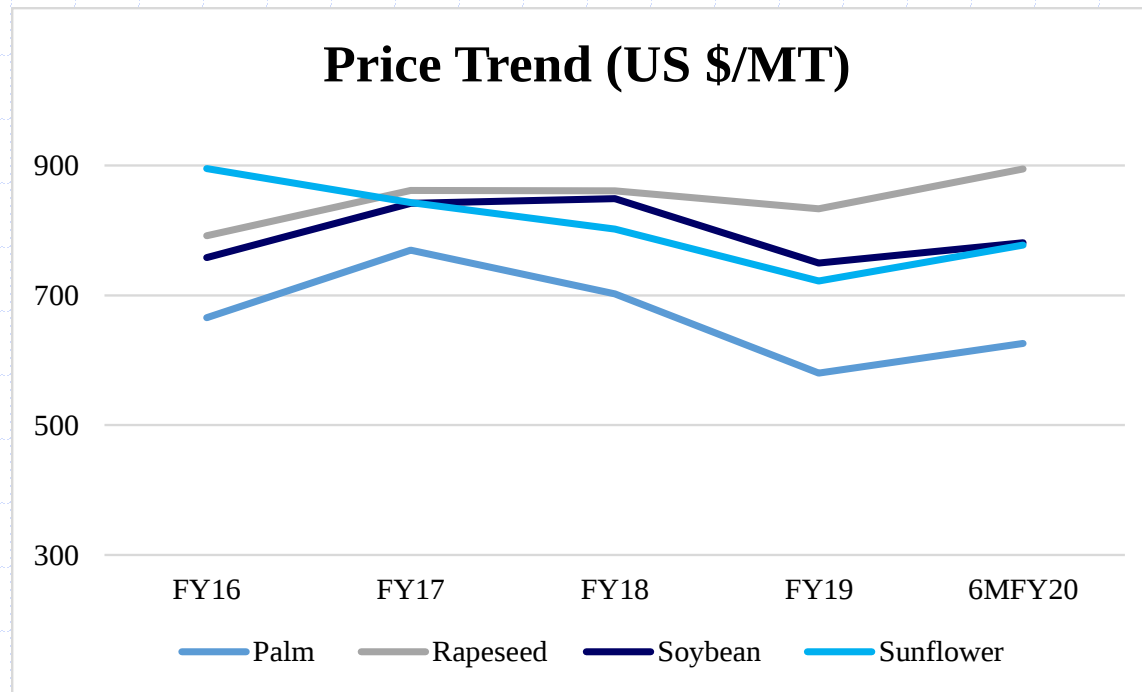


EXPORT (MMT)



Industry | Edible Oil

Price Trend



- Price index continued rising, gained 14.2%
- **Palm Oil** price has risen with output slowing and use rising
- **Rapeseed Oil** dimmer global outlook for supplies bolstering price
- Tight **Soybean Oil** supply led to price hike

Local Dynamics



Industry | Snapshot

FY19

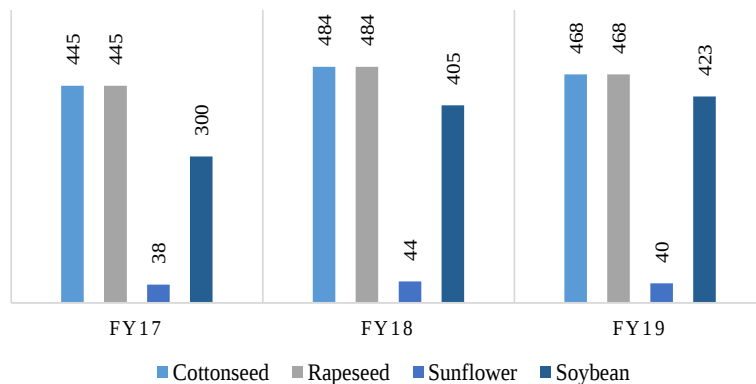
- Agriculture Sector
 - Growth | 0.85%, Target | 3.8%
- Other Crops | Oilseeds
 - Share in agriculture value addition | 11.2%
 - Share in GDP | 2.08%
 - Growth | 1.95%
- Food Group
 - Share in Import Bill | 10.5%, declined by 12%
 - Imports | \$ 4,261mln (FY18 ~ \$ 4,730mln)
 - Edible Oilseed
 - Quantity | 3.3 MMT, (FY18 ~ 3.1MMT)
 - Edible Oil
 - Value | \$ 1,454mln (FY18 ~ \$ 1,654mln)
 - Quantity | 3.3 MMT, (FY18 ~ 3.1MMT)
- Industry includes
 - Refineries
 - Ghee (hydrogenated oil)/Cooking oil plants
 - Solvent Extraction Units



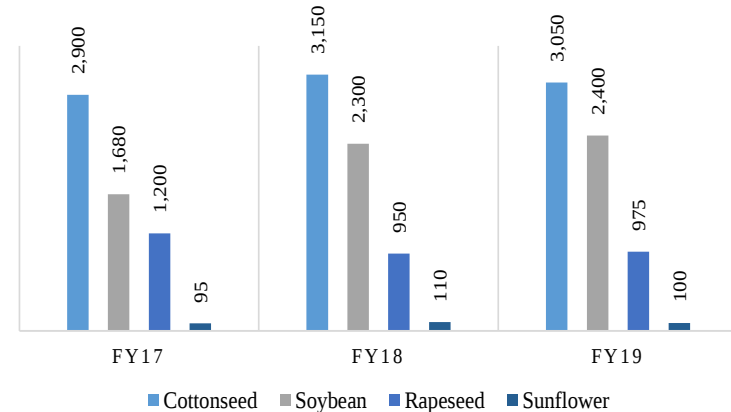
Industry | Edible Oilseed

Variant Wise View

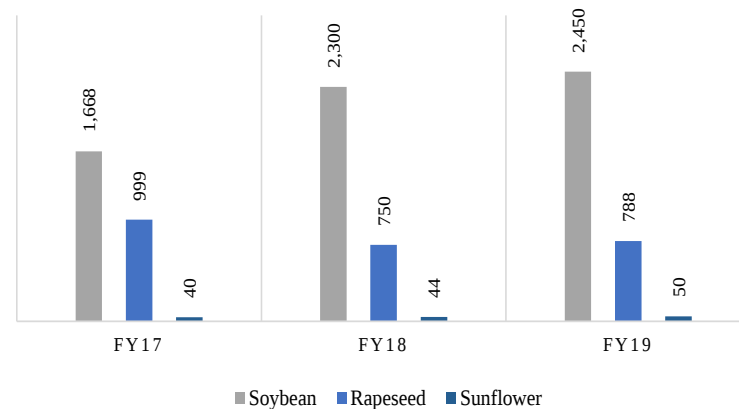
PRODUCTION (MMT)



CAPACITY CRUSHED (MMT)



IMPORT (MMT)

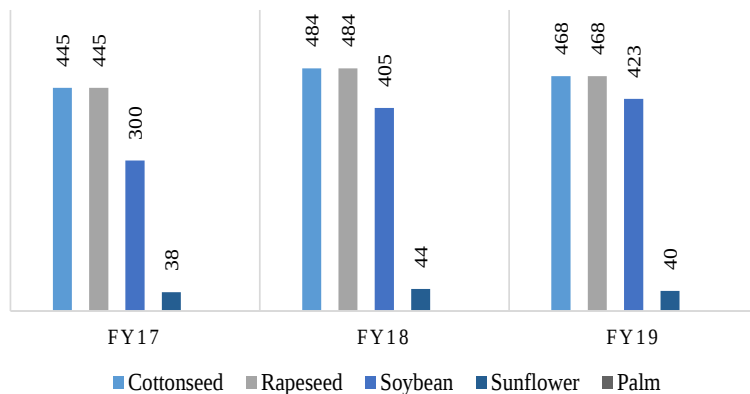


- Punjab Government's oilseed promotion initiative | growers will receive PKR 5,000 per acre subsidy for planting up to 10 acres of sunflower.
- Federal Government | approved PKR 290bln for Agriculture sector development
 - Includes production of oilseed crop during the next five years.

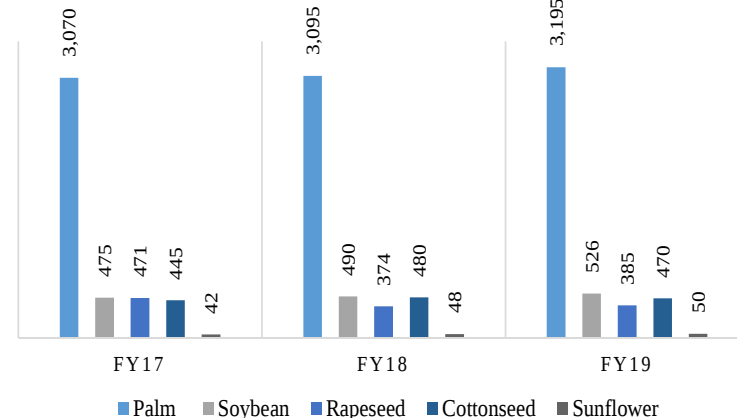
Industry | Edible Oil

Variant Wise View

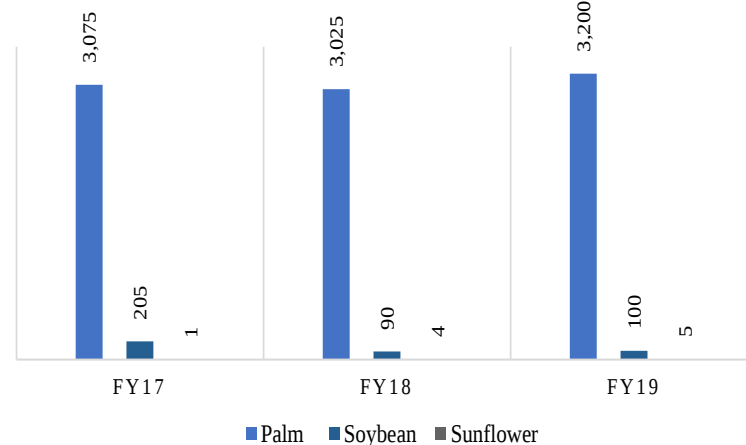
PRODUCTION (MMT)



CONSUMPTION (MMT)



IMPORT (MMT)

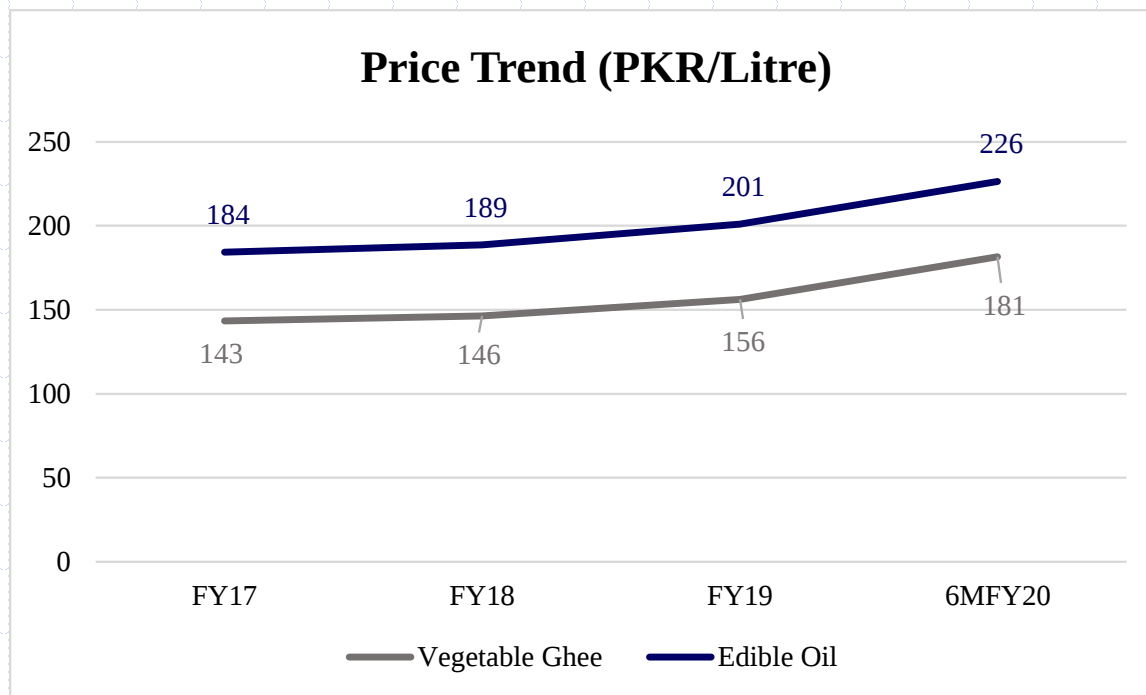


- Dependence on imported oils ↑
- Second biggest import after petroleum
- Produce | 31% vegetable oil domestically
 - 13% | local oilseeds
 - 18 % | imported oilseeds
- Production forecast | increase in local oilseed production



Industry | Edible Oil

Price Trend



Regulatory Structure

Oilseed	Canola/Rapeseed /Sunflower	Soybean
Sales Tax	17%	10%
FED	17%	
Custom Duty	3%	
Additional Custom Duty	2%	

	FY18-19	FY19-20
Inputs - Semi-Refined Oil		
FED (in sales tax mode) on import of edible oils, cooking oils and vegetable ghee	Rs.1 per kg is the rate of FED	17% Retail Price (Brand or Non-branded)
<i>Import</i> /Custom Duty:		5%
Additional Custom Duty	2%	7%
Output- Branded Oil & Desi Ghee		
Sales Tax	Exempt	17% on MRP
Soybean Meal	10%	10%

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