



EDIBLE OIL

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Edible Oil

Production Process



Oilseeds



Seed Extraction



Oil Refinery



Refined Bulk Oil



Consumer



Poultry Feed



Packing Unit



Branded Oil



Edible Oil

Global | Overview

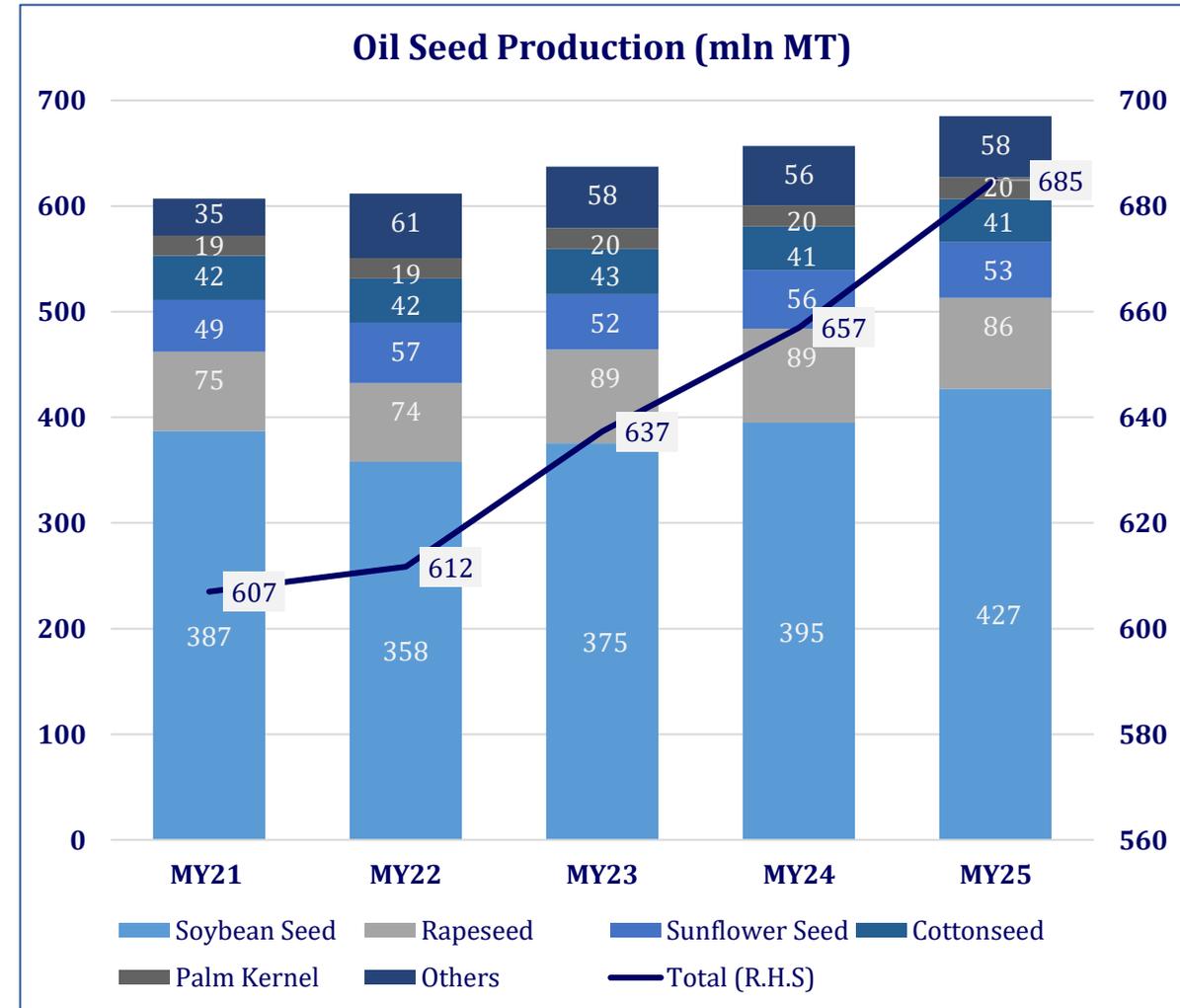
- Edible oil is one of the essential items required for cooking and food preparation. The most commonly used edible oil products are soybean oil, palm oil, sunflower oil, cottonseed and rapeseed oil, coconut oil, olive oil, palm kernel oil and peanut oil. All types of edible oil are mainly used for human consumption. Soybean oil is also used as feed for poultry and livestock.
- The global edible oil market turnover recovered in MY25, growing ~3.7% YoY to USD~254 Bn (SPLY: USD~245 Bn), reversing a two-year declining trend (MY23: -16.0%; MY24: -3.0%). This was primarily driven by higher average edible oil prices across all major oil types alongside a slight rise in consumption volumes.
- Total edible oil production comprised ~34.1% palm oil and ~30.5% soybean oil in MY25, with overall production increasing ~3.8% YoY to ~230.0 Mn MT.
- In MY25, the overall edible oil consumption increased ~2.3% YoY and was recorded at ~222.6 Mn MT on the back of an increase in population levels, with per capita consumption rising to ~27.1 KG (SPLY: ~26.8 KG).

Particulars	Units	MY23	MY24	MY25
Sector Revenue	USD Bn	254	245	254
YoY Growth	%	-16.0%	-3.0%	3.3%
Share in Global GDP	%	0.3%	0.2%	0.2%
Production	Mn MT	217.3	221.6	230.0
Consumption	Mn MT	211.1	217.5	222.6
Consumption per Capita	KG	26.2	26.8	27.1

Edible Oil

Global | Oilseeds Production

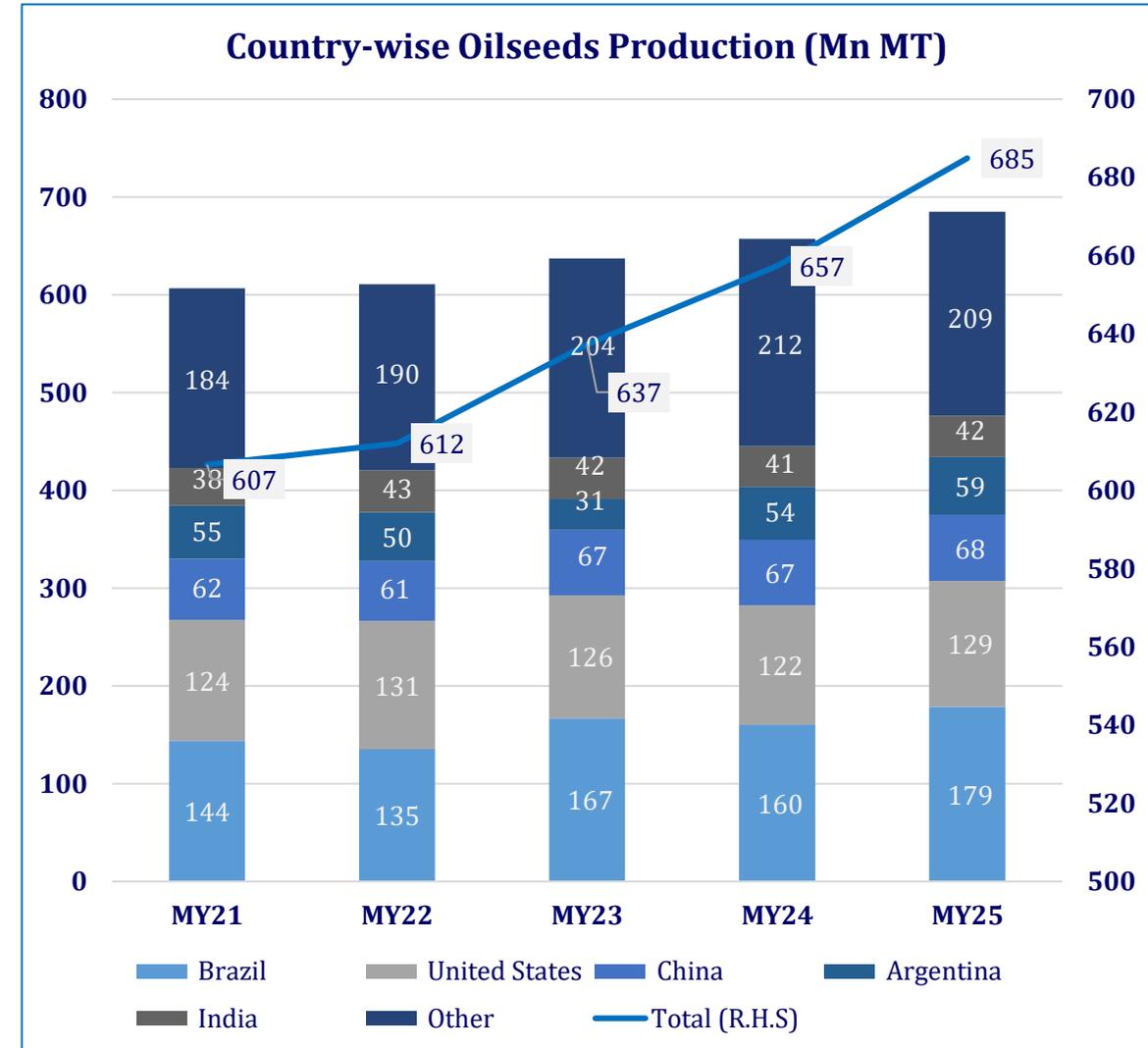
- Global oilseeds production recorded at ~684.9 Mn MT in MY25 (SPLY: ~657.4 Mn MT), up ~4.2% YoY (SPLY: ~3.2%).
- Brazil was the major producer for soybean seed. Meanwhile, soybean seed made up ~62.4% of the global oilseeds production during the year followed by rapeseed (~12.6%) and sunflower seed (~7.7%).
- Rapeseed production declined ~3.4% YoY to ~86.0 Mn MT in MY25 on the back of decreased production in the European Union (down ~17.6% YoY to ~16.8 Mn MT), partially offset by higher production in Canada (up ~1.2% YoY to ~19.2 Mn MT).
- Sunflower seed production declined ~5.6% YoY to ~52.8 Mn MT in MY25, owing to lower production recorded in Ukraine (down ~16.1% YoY to ~13.0 Mn MT) and the European Union (down ~16.1% YoY to ~8.4 Mn MT), partially offset by higher production in Argentina (up ~43.6% YoY to ~5.6 Mn MT).



Edible Oil

Global | Oilseeds Production

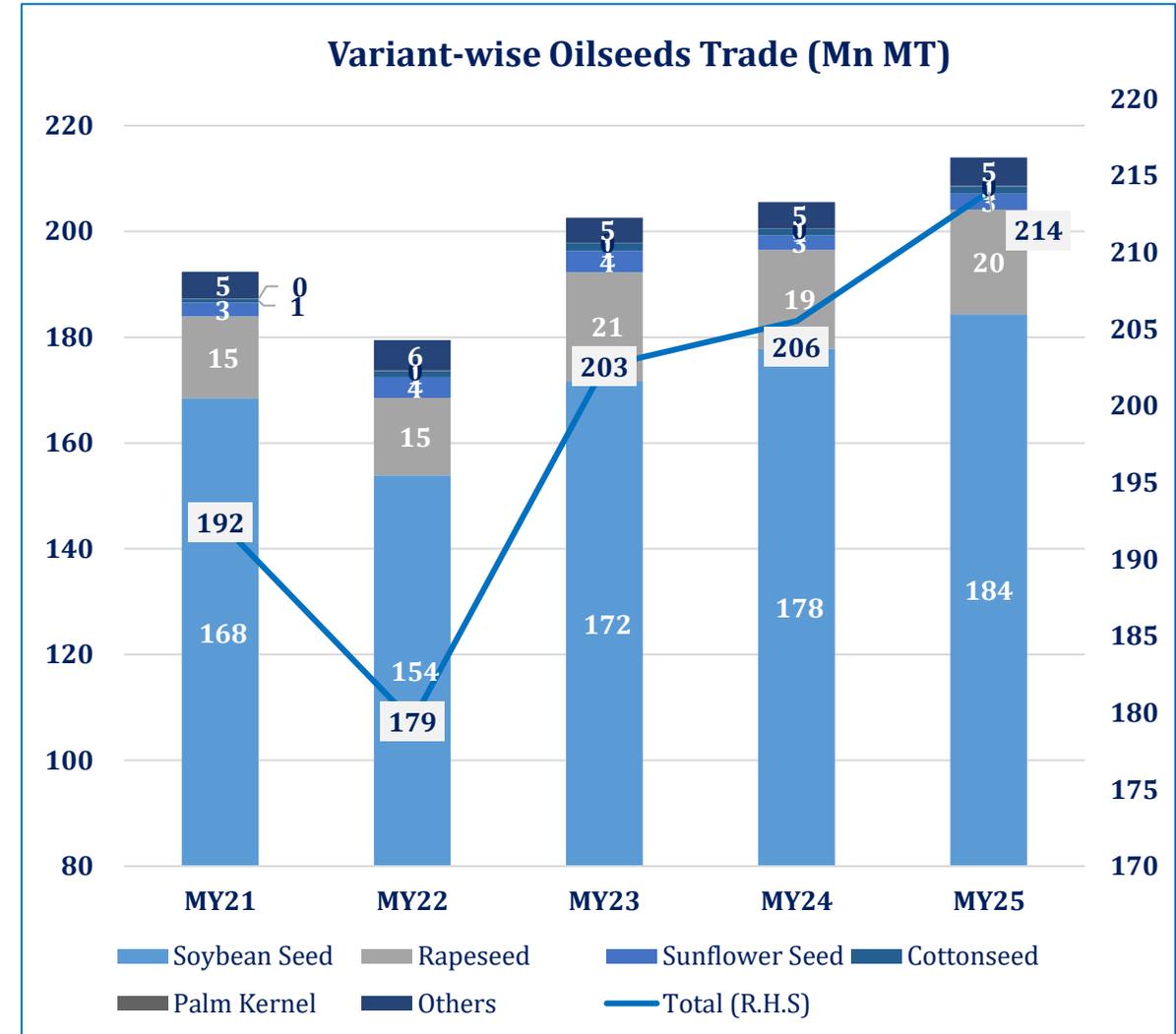
- Brazil and the USA continued to be top producers of oilseeds in MY25, with a collective share of ~43.6% in the global oilseeds production (SPLY: ~42.8%). Meanwhile, China, Argentina and India recorded ~9.9%, ~8.6% and ~6.2% shares, respectively (SPLY: ~10.2%, ~8.3% and ~6.3%).
- Brazil recorded a ~10.9% YoY increase in soybean seed production to ~171.5 Mn MT due to better yields. In USA, soybean seed production was up ~5.1% YoY to ~119.0 Mn MT due to an increase in the area harvested.
- Meanwhile, Argentina formed ~12.0% of global soybean seed output and recorded ~6.0% YoY increase in MY25 to ~51.1 Mn MT, supported by a ~6.6% YoY increase in area harvested during the year.
- Canada was the largest producer of rapeseed with a ~22.4% share in global rapeseed output in MY25, while China accounted for ~18.4% of the global rapeseed production during the period under review. With respect to sunflower seed, Russia remained the largest producer with ~32.0% global share in MY25 (SPLY: ~32.0%), broadly unchanged year on year at ~16.9 Mn MT.



Edible Oil

Global Oilseeds | Trade

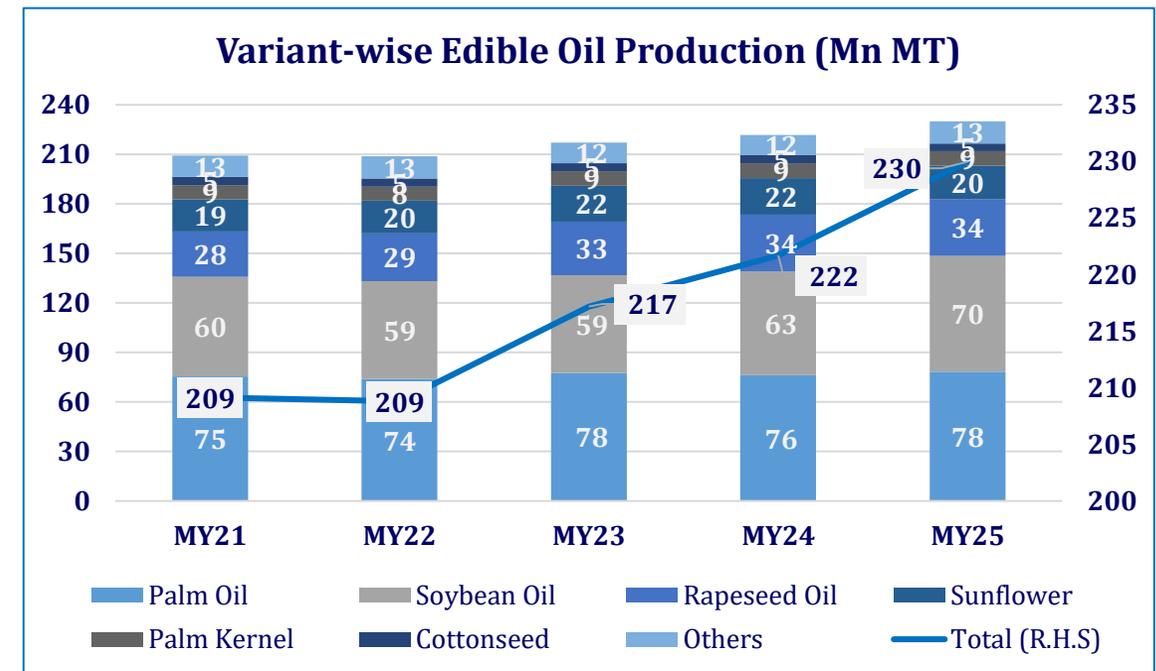
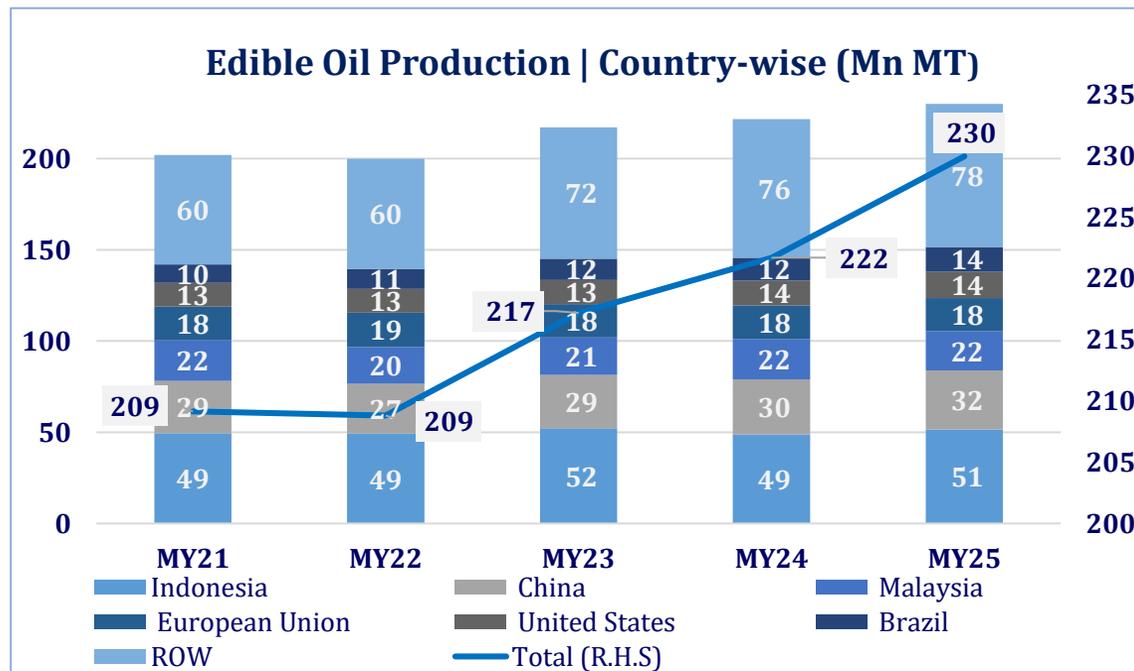
- In MY25, global oilseeds trade increased ~4.1% YoY to ~214.0 Mn MT (SPLY: ~205.5 Mn MT), mainly driven by higher soybean seed exports, which grew ~3.6% YoY to ~184.3 Mn MT (SPLY: ~177.8 Mn MT). This was further supported by ~5.8% YoY higher rapeseed exports to ~19.8 Mn MT (SPLY: ~18.7 Mn MT) during the year.
- Soybean seed had ~86.2% share in global oilseeds trade in MY25 (SPLY: ~86.5%), while rapeseed and sunflower seed collectively accounted for ~10.7% during MY25 (SPLY: ~10.7%).
- In MY25, Brazil and the USA cumulatively accounted for ~83.7% of the global soybean seed exports (SPLY: ~81.8%), while China made up ~60.2% of global soybean seed imports (SPLY: ~62.8%).
- Canada was the largest exporter of rapeseed with ~47.2% share in the global rapeseed exports in MY25 (SPLY: ~36.1%), whereas the EU and China were the top importers with a collective share of ~63.5% (SPLY: ~55.1%).
- In MY26, global oilseeds trade is expected to inch up, supported by higher Brazilian soybean production, partially offset by lower Australian rapeseed exports as China's reduced tariffs on Canadian canola divert trade flows. The tariffs imposed could impact the trade and give US exports boost in Asia Pacific in particular.



Edible Oil

Global | Edible Oil Production

- Global edible oil production was recorded at ~230.0 Mn MT during MY25, up ~3.5% YoY. Country-wise, Indonesia formed ~22.5% of edible oil produced globally in MY25 (SPLY: ~22.0%), while China and Malaysia followed suit with ~14.1% and ~9.4% shares, respectively.
- Palm oil accounted for ~34.1% of the global edible oil production in MY25 (~34.5% during MY21-25), while soybean oil formed ~30.5% share during the period under review (~29.5% over MY21-25 horizon). Two types of palm oil are produced globally; crude palm oil that comes from squeezing the pulp of palm fruit, and palm kernel oil which is obtained from crushing the kernel.
- Global edible oil production is forecasted to increase YoY, primarily driven by higher palm oil and soybean oil production. Palm oil and soyabean oil are expected to continue dominating the global edible oil production mix during the year.

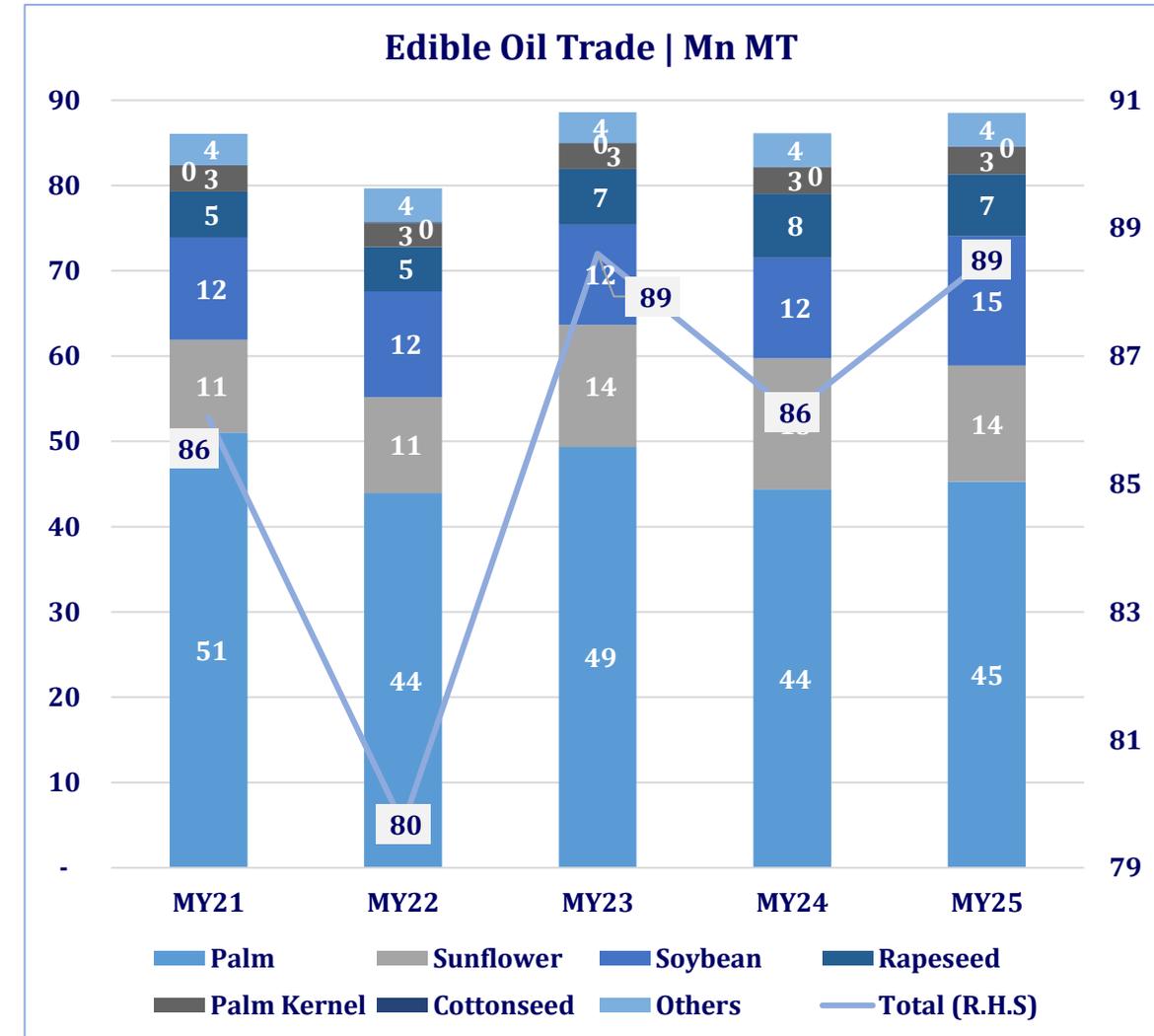


Note: Edible Oil production includes Palm, Soybean, Rapeseed, Cottonseed and Sunflower, Palm Kernel and Other Oils. *Forecast.

Edible Oil

Global | Edible Oil Trade

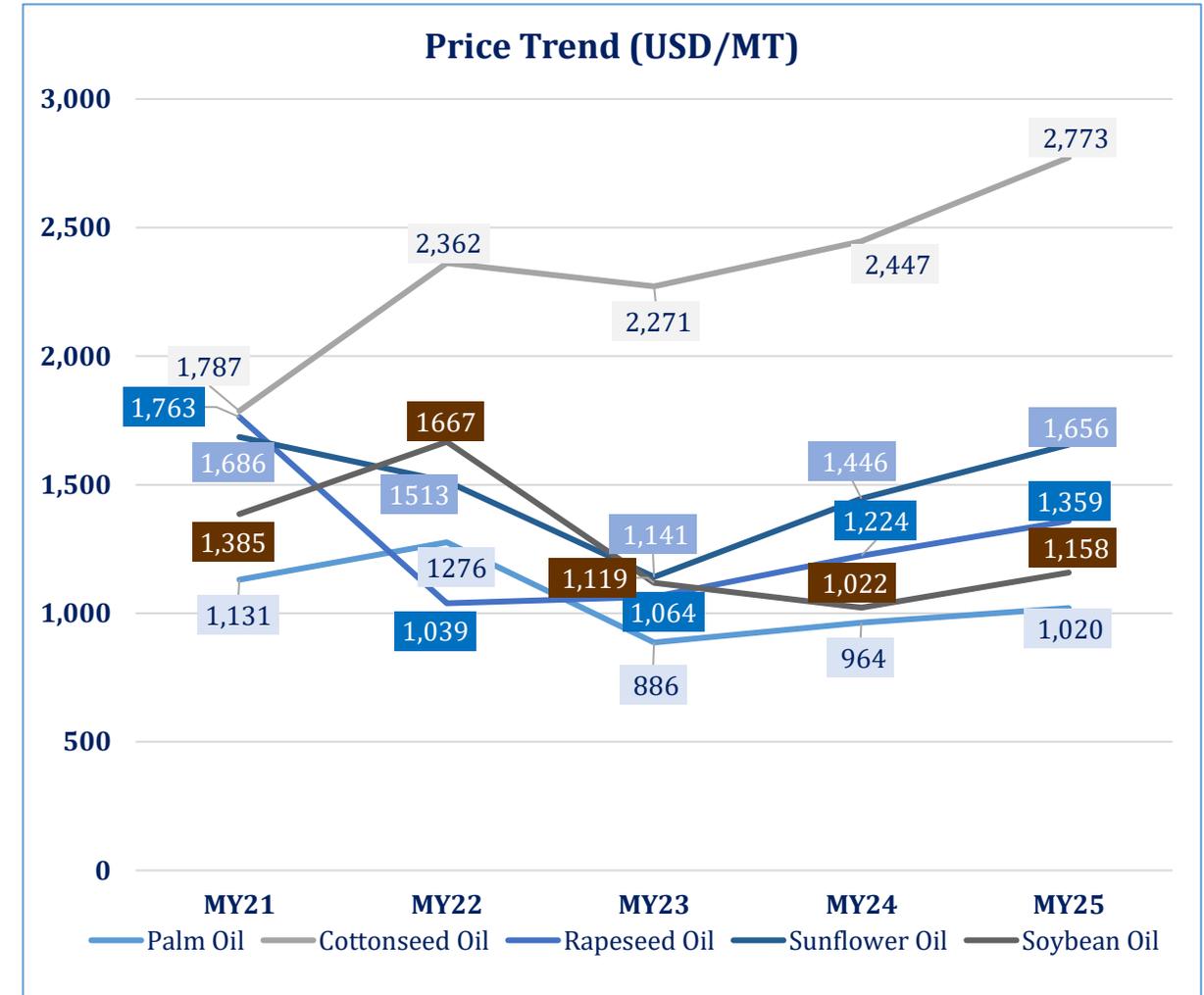
- In MY25, the global edible oil trade was recorded at ~88.5 Mn MT, depicting an increase of ~2.8% YoY. Of the total edible oil produced, ~38.5% was traded during the year, in-line with historical trend (SPLY: ~36.7%).
- Palm oil exports accounted for ~51.2% of total edible oil exports in MY25, registering a ~2.0% YoY uptick owing to higher exports from Malaysia. India remained the top importer in MY25 with ~18.4% share while Indonesia remained the top exporter with ~28.8% share.
- Indonesia and Malaysia cumulatively made up ~47.4% of global edible oil exports in MY25 (SPLY: ~49.2%), while India and China, with ~18.4% and ~8.5% shares, respectively, were the top two importers of edible oil.
- Rapeseed oil exports (~8.2% share in the total edible oil exports during MY25) declined by ~3.3% YoY during the period under review, owing to lower production by the EU and Ukraine.
- In MY26, global edible oil trade is expected to remain broadly stable, with Indonesia and Malaysia anticipated to maintain their dominance in palm oil exports, while soybean oil trade is forecast to remain supported by strong South American crop output and favorable tariffs for US soyabean exports.



Edible Oil

Global | Price Dynamics

- Global prices for edible oil increased at a CAGR of ~0.6% during MY21-25, emanating majorly from supply-side.
- Palm Oil:** In MY25, production levels in Indonesia recorded ~1.1% YoY increase to ~45.5 Mn MT. Average prices were recorded at USD~1,020/MT during MY25 (SPLY: USD~964/MT), up ~5.8% YoY. Palm Oil prices rose as of Feb'26 to USD~1,042/MT.
- Rapeseed Oil:** In MY25, production of rapeseed oil marginally declined ~0.5% YoY to ~34.2 Mn MT. Average prices were up ~11.0% YoY and were recorded at USD~1,359/MT (SPLY: USD~1,224/MT). According to recent international benchmarks, global prices for rapeseed oil stood at USD~1,224/MT.
- Sunflower Oil:** Russia and Ukraine together produced ~59.1% of the global sunflower oil in MY25. During MY25, sunflower oil production declined ~8.0% YoY to ~20.4 Mn MT. Average prices were recorded at USD~1,656/MT (SPLY: USD~1,446/MT), up ~14.5% YoY. Global prices for sunflower oil declined in Feb'26, clocking in at USD~1,328/MT.
- Soybean Oil:** In MY25, production of soybean oil increased ~9.5% YoY to ~70.1 Mn MT. Average prices increased ~13.3% YoY and were recorded at USD~1,158/MT during MY25 (SPLY: USD~1,022/MT). As of Feb'26, prices for soybean oil reached USD~1270/MT.
- Cottonseed Oil:** In MY25, cottonseed production clocked in at ~40.8 Mn MT, a YoY increase of ~3.4% (SPLY: ~39.5 Mn MT). Average prices resultantly increased by ~13.3% YoY and were recorded at USD~2,773/MT (SPLY:USD~2,447/MT). As of latest, cottonseed oil prices stood at USD~3,042/MT.



Edible Oil

Local | Overview

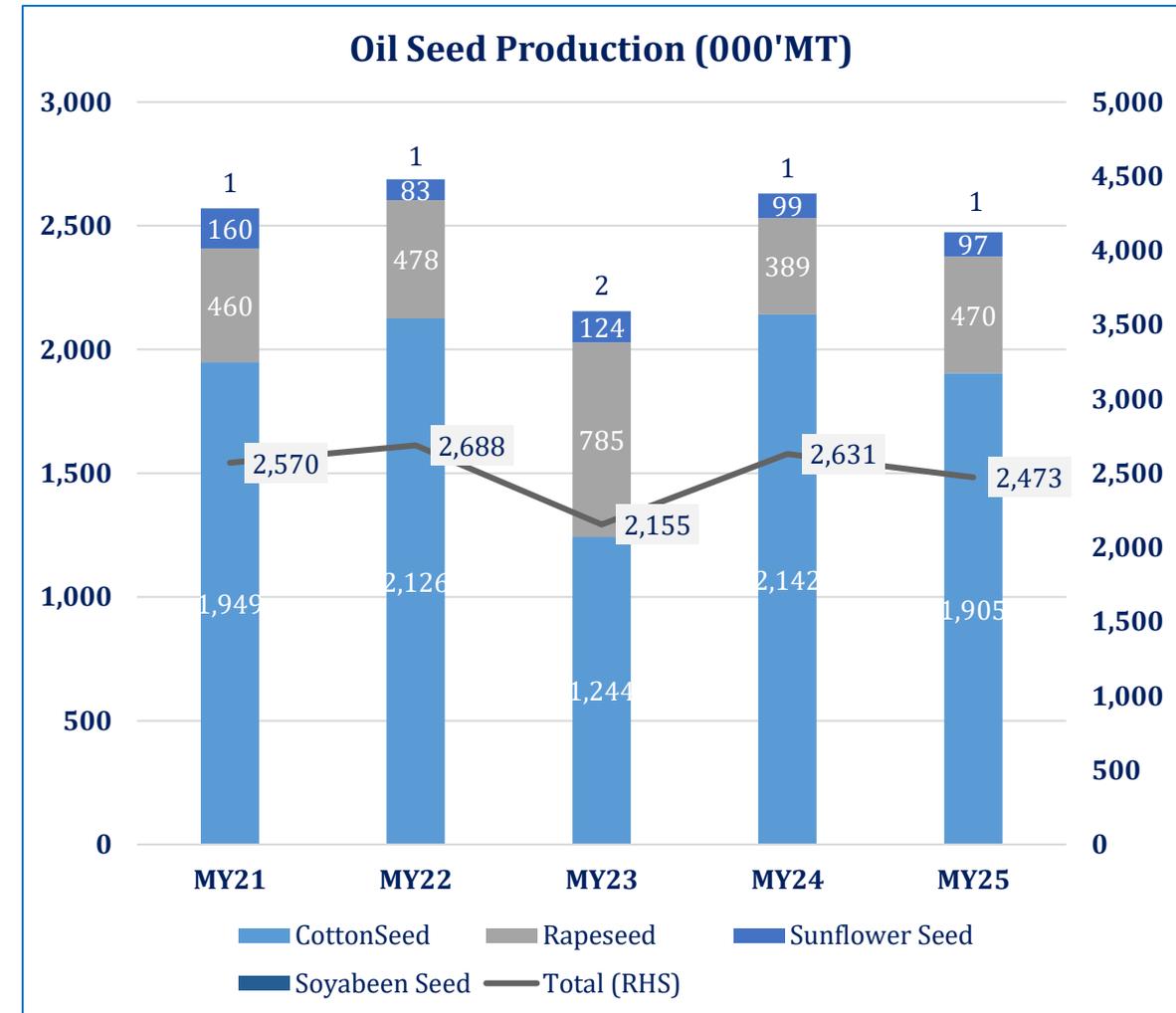
- Pakistan Edible Oil consumption recorded a ~17.3% YoY increase, while the per capita consumption recorded at ~20.3KG/person in FY25.
- The Edible Oil imports for the period recorded at ~3.5Mn MT (FY24: ~3.1Mn MT) , showing an increase of ~13.4% YoY, largely due to higher imports of palm oil and soybean oil for the period.
- During the year, higher consumption was primarily supported by increased edible oil imports, which accounted for ~72.3% of total edible oil consumption (FY24: 74.9%). Domestic production, although it grew by ~29.1% YoY in FY25, contributed only ~27.2% to the total consumption.
- During FY23–25, imports met an average of ~75.3% of domestic edible oil consumption, with the remainder supplied by local production.

Particulars	Units	FY23	FY24	FY25
Edible Oil Consumption*	(000 MT)	4,179	4,164	4,886
Per Capita Consumption	KG	18.1	17.6	20.3
Edible Oil Imports	(000 MT)	3,292	3,117	3,534
Palm Oil Imports	(000 MT)	3,064	2,997	3,213
Palm Oil Imports (Share in Country's Total Imports)	%	6.6	5.1	5.8
Association	Pakistan Edible Oil Refiners Association, Pakistan Vanaspati Manufacturers Association, Pakistan Oilseed Development Board			

Edible Oil

Supply | Oilseeds

- Cottonseed is the principal oilseed crop grown in Pakistan, accounting for an average of ~74.2% of domestic oilseed production during MY21-25.
- During MY25, cottonseed production declined by ~11.1% YoY, recording at ~1.9Mn MT (MY24: ~2.1Mn MT). This came on the back of a ~15.7% decrease in cotton production in the country due to excessive monsoon rainfall, delayed planting activities and a contraction in the cultivated area. Cottonseed demand is met through local produce only and is driven by demand for cotton lint from the textile sector.
- The local Edible Oil Sector relies almost entirely on imports to meet its demand of soybean seed. Local soyabean production is negligible. Rapeseed and sunflower seed are both locally produced as well as imported.



Edible Oil

Supply | Edible Oil

- The total production for Edible Oils recorded at ~1.4Mn MT (FY24: 1.0Mn MT), rising by ~29.1% YoY. This increase majorly came on the back of higher production of soybean oil, which increased by almost four times. This occurred due to the GoP's approval of GMO soybean imports in Nov'24, which relaxed previous biosafety restrictions and enabled the import of larger volumes of soybean seeds.
- The GoP introduced the National Oilseed Policy targeting ~60% local fulfillment of edible oil demand by FY34, including measures such as setting a profitable intervention price for crops like sunflower, canola, rapeseed, mustard, and sesame at ~1.5x production cost and increasing cess on imported edible oils and oilseeds to generate ~PKR 5.5Bn annually to support policy initiatives. As of FY25, the National Oilseed Policy remains in the implementation phase, with initiatives such as the National Oilseed Enhancement Program introduced to promote cultivation of oilseed crops and reduce reliance on edible oil imports.

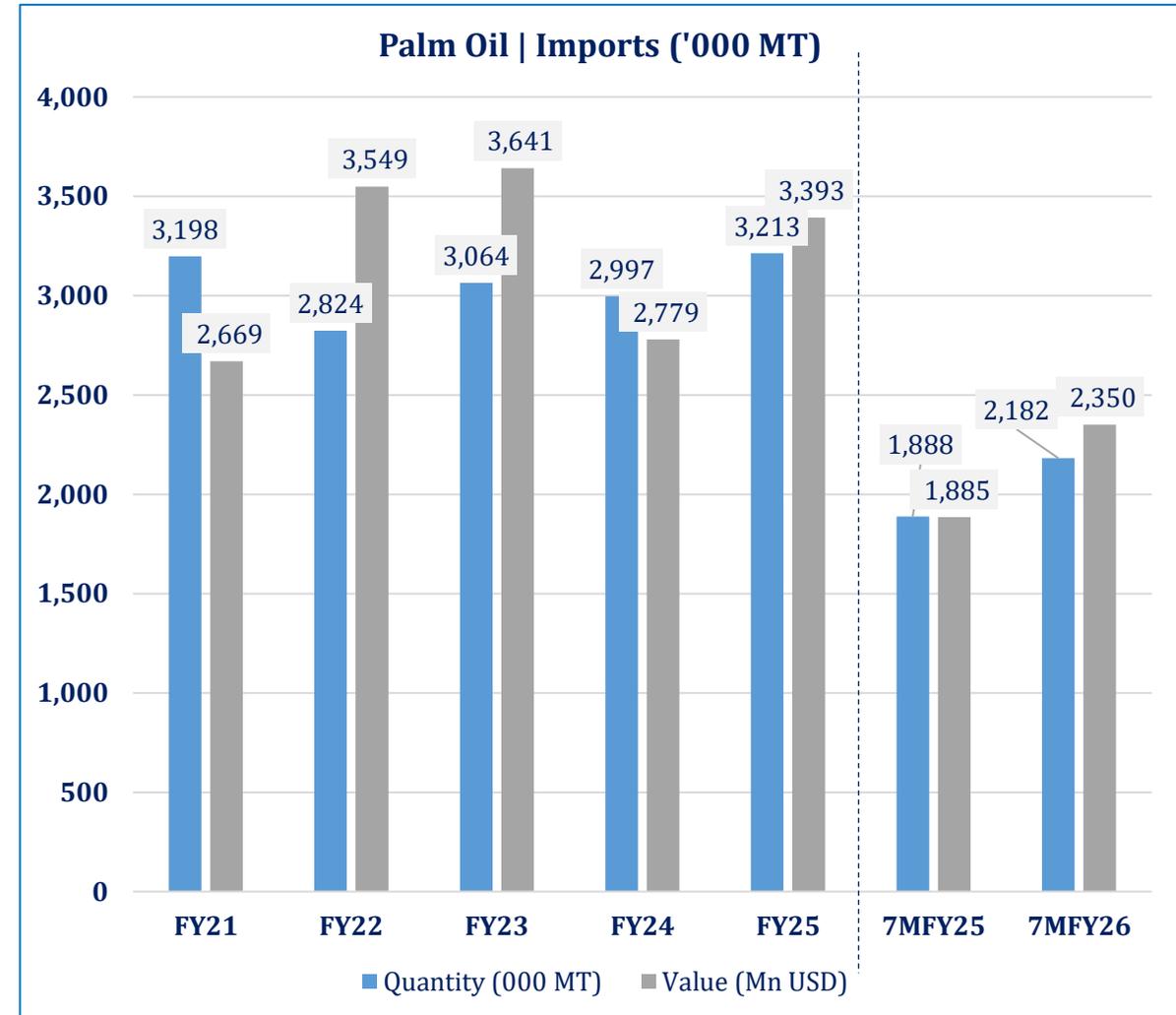
Particulars ('000' MT)	Supply Snapshot Edible Oil (FY25)						FY24
	Palm Oil	Soybean Oil	Rapeseed Oil	Cottonseed Oil	Sunflower Oil	Total	Total
Consumption	3,213	780	504	343	46	4,886	4,164
Imports	3,213	321	0	0	0	3,534	3,117
Imports (% of Consumption)	100.0%	41.2%	0.0%	0.0%	0.0%	72.3%	74.9%
Domestic Production	0	459	504	343	46	1,352	1,047
Production (% of Consumption)	0.0%	58.8%	100.0%	100.0%	100.0%	27.7%	25.1%
Share in Total Consumption	65.8%	16.0%	10.3%	7.0%	0.9%	100.0%	100.0%

*Consumption levels have been estimated assuming negligible stock levels; MY=FY. **Note:** Soybean Oil and Palm Oil data has been taken from PBS, while production has been taken from USDA.

Edible Oil

Supply | Palm Oil

- Globally, India & China cumulatively form ~26.9% of total palm oil imports in FY25. Pakistan is now the third-largest importer of palm oil with ~8.1% share, surpassing the EU (~7.7% share). Pakistan imports Palm oil majorly from Malaysia and Indonesia.
- Palm oil accounted for ~90.9% of Pakistan’s total edible oil imports in FY25 and formed ~5.7% of country’s total import bill during FY25 (SPLY: ~5.0%). During the period, the palm oil imports increased to ~3.2Mn MT (FY24: ~3.0Mn MT), up ~7.2% YoY. This increase was led by higher demand despite increased price in FY25.
- In 7MFY26, refined palm oil imports rose by ~15.6% YoY to record at ~2.2Mn MT (SPLY: ~1.9Mn MT). The value of palm oil imports rose further due to higher international prices.



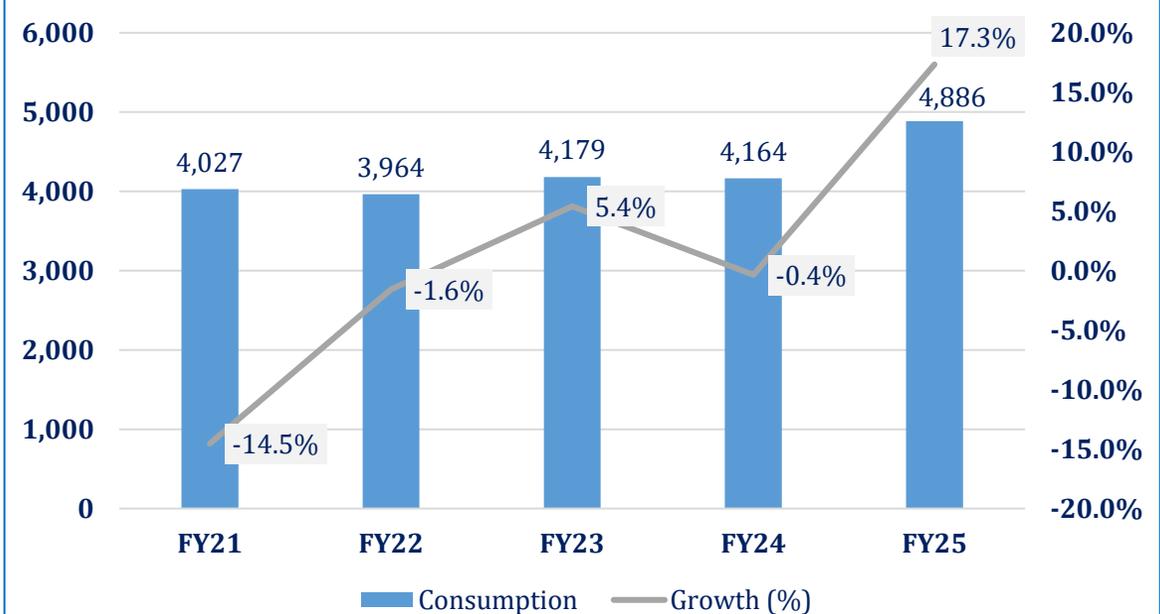
Note: HS codes for Palm Oil import includes 1511.1000, 9010, 9020, 9030.

Edible Oil

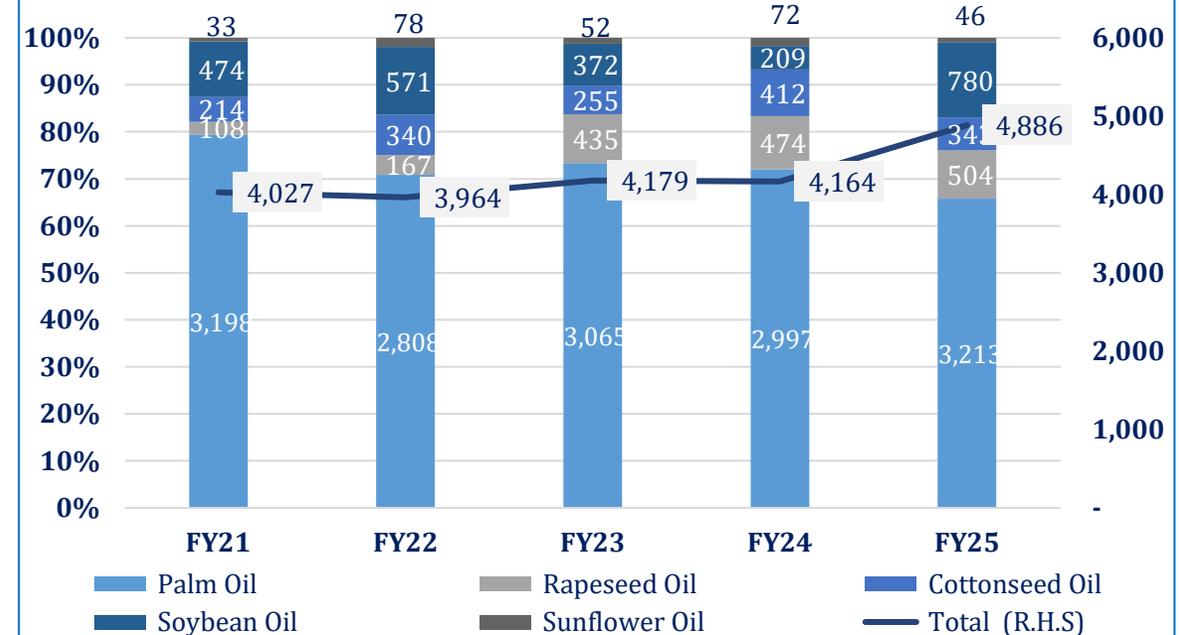
Demand | Edible Oil

- Demand for edible oil, being an essential food commodity, stayed relatively stable over five years (FY21-25), with an average of ~4.2Mn MT and growing at a CAGR of ~3.9% during FY21-25.
- Overall demand during FY25 clocked in at ~4.9Mn MT (FY24: ~4.2Mn MT), a YoY increase of ~17.3%. During FY25, per capita consumption was up ~15.3% YoY (recording at ~20.3KG/person).

Edible Oil Consumption ('000' MT)



Variant-wise Consumption ('000' MT)

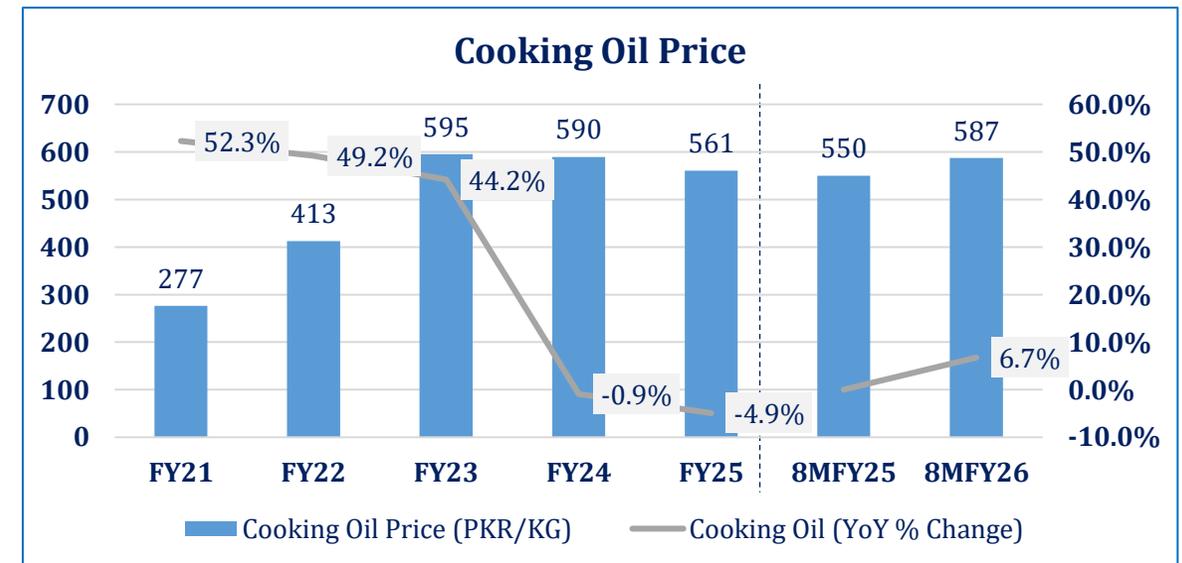
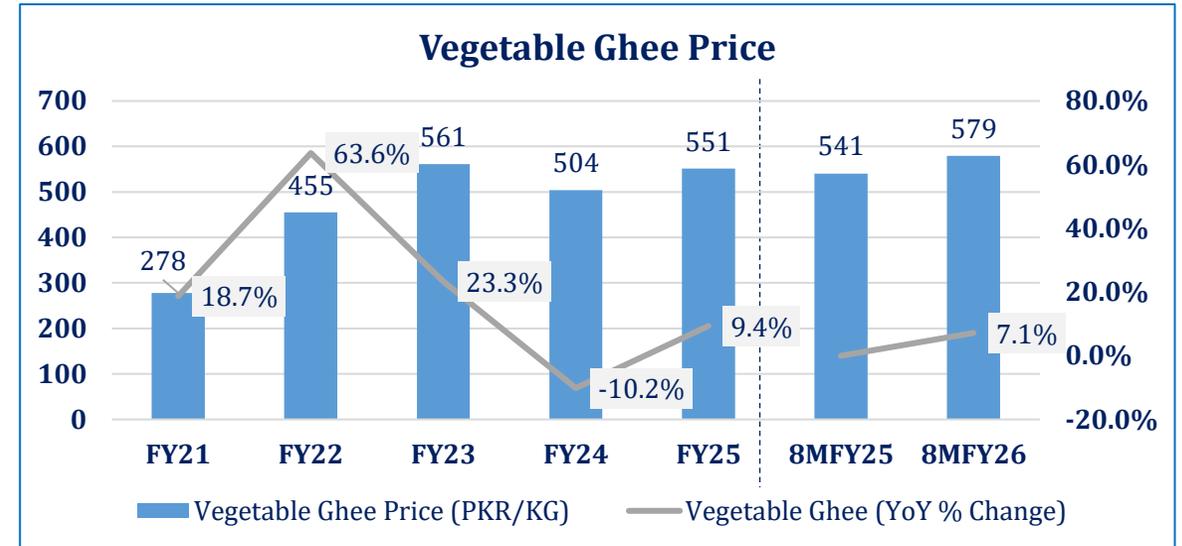


*Regional data is latest available.

Edible Oil

Local | Price Dynamics

- Pakistan is heavily dependent on imports to meet its edible oil consumption, exposing the Sector to fluctuations in global edible oil prices and currency volatility. However, the impact of higher input costs is typically passed on to end-consumers.
- Vegetable ghee and cooking oil prices in the Country have increased with a CAGR of ~15.1% and ~14.6%, respectively, during the last five years (FY21-25).
- Vegetable ghee prices recorded at PKR~551/KG (FY24: PKR~504/KG), up ~9.4% YoY. On the other hand, cooking oil prices declined by ~4.9% to PKR~561/KG (FY24: PKR~590/KG).
- Prices of both cooking oil and vegetable ghee exhibited an upward trend in 8MFY26, increasing by ~7.1% and ~6.7% YoY to reach PKR~579/KG and PKR~587/KG, respectively, due to higher prices of imported raw material.



Note: Vegetable Ghee prices are representative of Ghee Tin Prices (i.e., per 2.5 liter).

Edible Oil

Business Risk

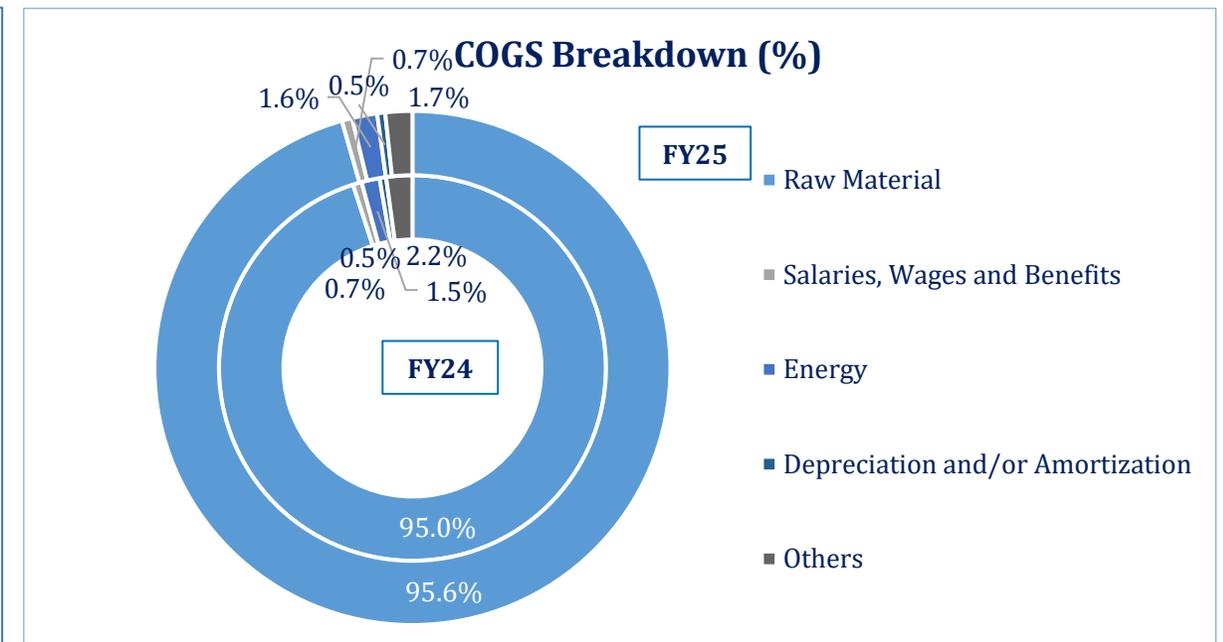
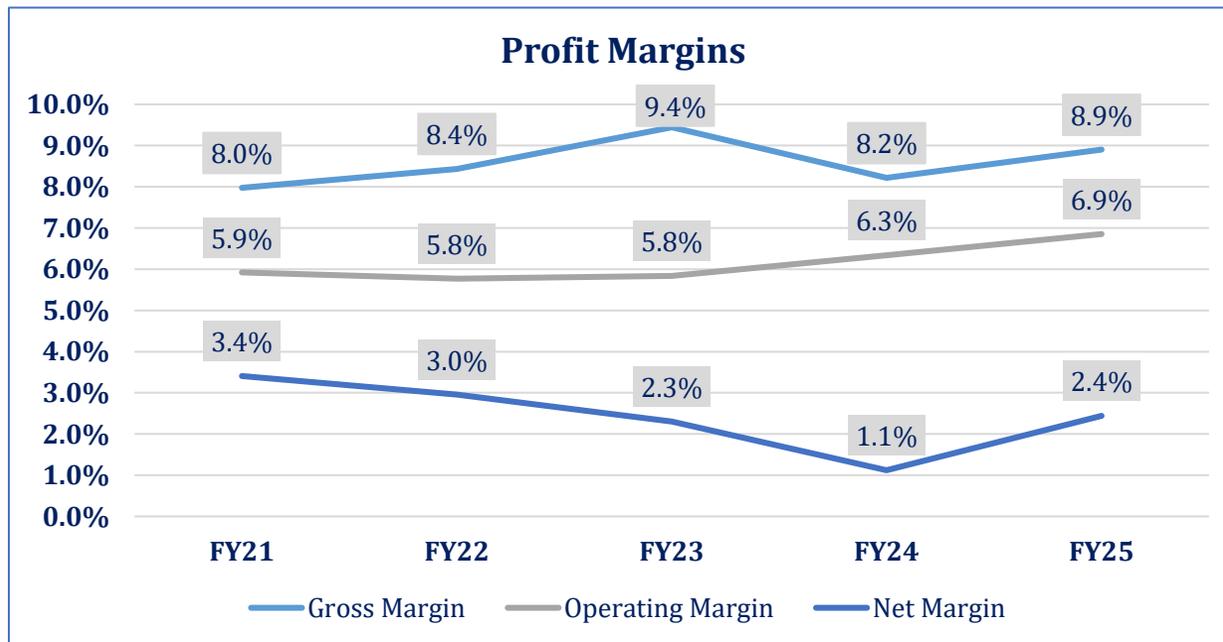
- Operating Risk:** This refers to the difficulties relating to the operations of the edible oil players which can hamper the profitability and performance of the Sector. Major inputs include both local inputs and imported inputs although the proportion of local input is significantly low. The Sector's costs are therefore subject to exchange rate volatility and international prices of oilseed and refined edible oil. Although tariff structure (covered later) is designed in way to promote local production of edible oil, still the major portion of demand is met through import of refined oil.
- Sales Risk:** This risk is focused on the demand side of edible oil. Being the essential food item, demand of edible oil remains robust. But the slight variation in demand is related to price movement as well as the customers preference to switch from branded edible oil to low-cost products. Players have to spent significantly on advertising and brand building to ensure sales continuity and to gain market share.



Edible Oil

Business Risk | Margins & Cost Structure

- Profitability margins improved across all levels in FY25. Gross margins expanded from ~8.2% to ~8.9%, while operating margins increased from ~6.3% to ~6.9%, supported by improved operational efficiency and cost management. Net margins recorded the most notable improvement, rising from ~1.1% in FY24 to ~2.4% in FY25, reflecting stronger bottom-line performance amid the Sector’s raw-material-heavy cost structure and reliance on imported inputs.
- The Sector’s cost structure remains heavily dominated by raw materials, accounting for ~95–96% of total COGS, while other components such as salaries, energy, depreciation, and other expenses collectively form only a small proportion of total costs.

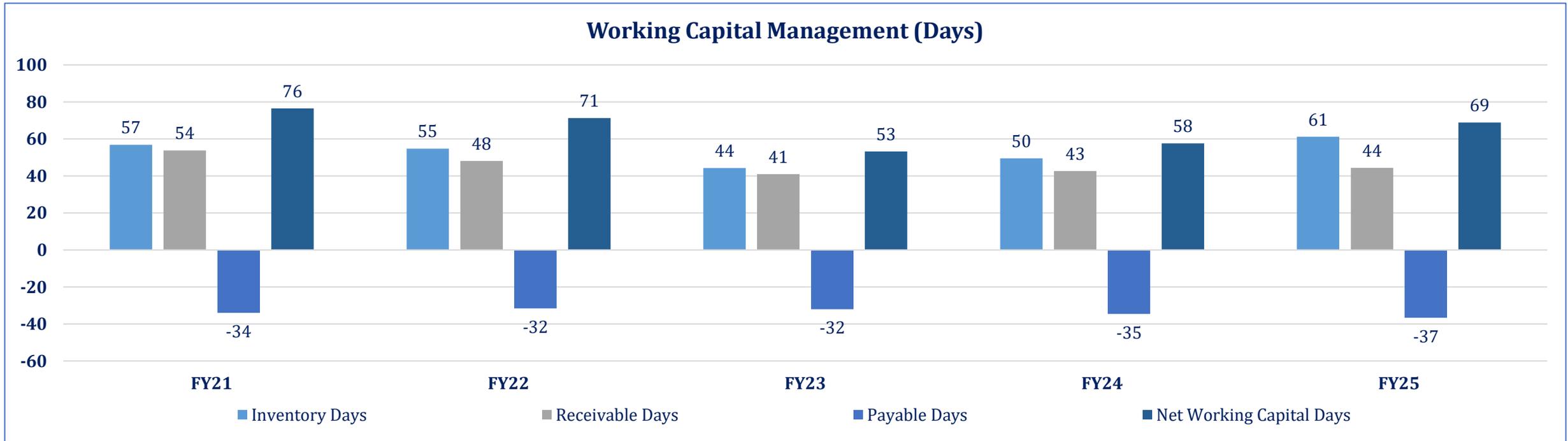


Note: Calculations are based on 09 PACRA-rated clients.

Edible Oil

Financial Risk | Working Capital Management

- During FY25, average working capital days were recorded at ~69 days, increasing by ~11 days (FY24: ~58 days), owing mainly to higher inventory days at ~61 days (SPLY: ~50 days). Because of the industry's heavy reliance on imported palm and soybean oils, the sector was impacted by geopolitical instability in 1HFY26. To mitigate the risk of price surges, the sector shifted towards increasing inventory levels. This directly resulted in significantly higher inventory days, as firms held larger volumes of raw materials for longer periods to ensure production continuity.
- Meanwhile, average trade receivables days slightly changed at ~44 days in FY25 (SPLY~43 days) whereas average payable days saw a minor change to ~34 days (FY24: ~32 days). While trade receivables and payables remained stable, the inventory buildup of strategic inventories, caused by global volatility drove a marked expansion in the overall cash conversion cycle.

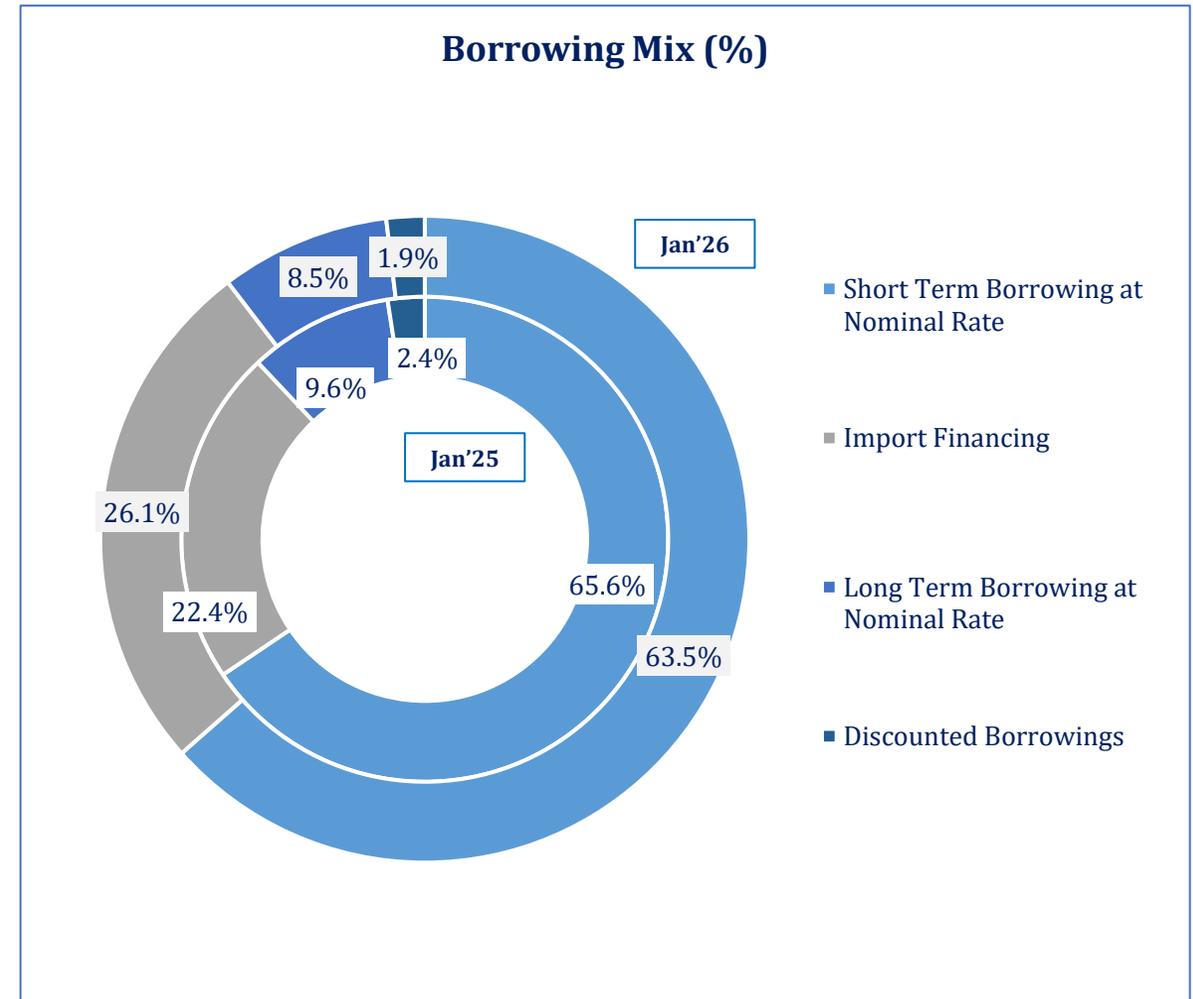


Note: Calculations are based on 09 PACRA-rated clients.

Edible Oil

Financial Risk | Borrowing Mix

- As of end-Jan'26, the Sector's overall borrowings stood at PKR~126.8Bn, down ~3.8% YoY (End-Jan'25: PKR~131.8Bn).
- Short-term borrowings (STBs) at normal rate stood at PKR~80.5Bn (SPLY: PKR ~86.4Bn), down ~6.8% YoY, and held the largest share in the Sector's borrowing mix at ~63.5% (SPLY: ~65.6%).
- Meanwhile, import financing, recorded at PKR~33.2Bn (End-Jan'25: PKR~29.6Bn), improved by 12.2% YoY as of End-Jan'26 and held ~26.1% share in the total borrowing mix during the period.
- Long-term borrowings (LTBs) at normal rate stood at PKR~10.8Bn, down by 14.7% YoY, and held a share of ~8.5% in overall borrowings (End-Jan'25: ~9.6%).
- Discounted borrowing (LTFF & EFS) stood at PKR~2.4Bn (End-Jan'25: PKR~3.2Bn), down by ~25.2% YoY and held a share of ~1.9% in the overall borrowing mix.



Edible Oil

Duty Structure

PCT Code	Description	Custom Duty (CD)		Additional Custom Duty (ACD)		Regulatory Duty (RD)		Total	
		FY25	FY26	FY25	FY26	FY25	FY26	FY25	FY26
1207.1000	Oilseeds and oleaginous fruits, whether or not broken	3%	0%	2%	0%	-	-	5%	0%
1511.9020	RBD Palm Oil	PKR 10,800/1000 Tariff unit	PKR 10,800/1000 Tariff unit	2%	2%	-	-	PKR 10,800/1000 Tariff unit; 2%	PKR 10,800/1000 Tariff unit; 2%
1511.9030	Palm Olein	PKR 9,050/1000 Tariff unit	PKR 9,050/1000 Tariff unit	2%	2%	-	-	PKR 9,050/1000 Tariff unit; 2%	PKR 9,050/1000 Tariff unit; 2%

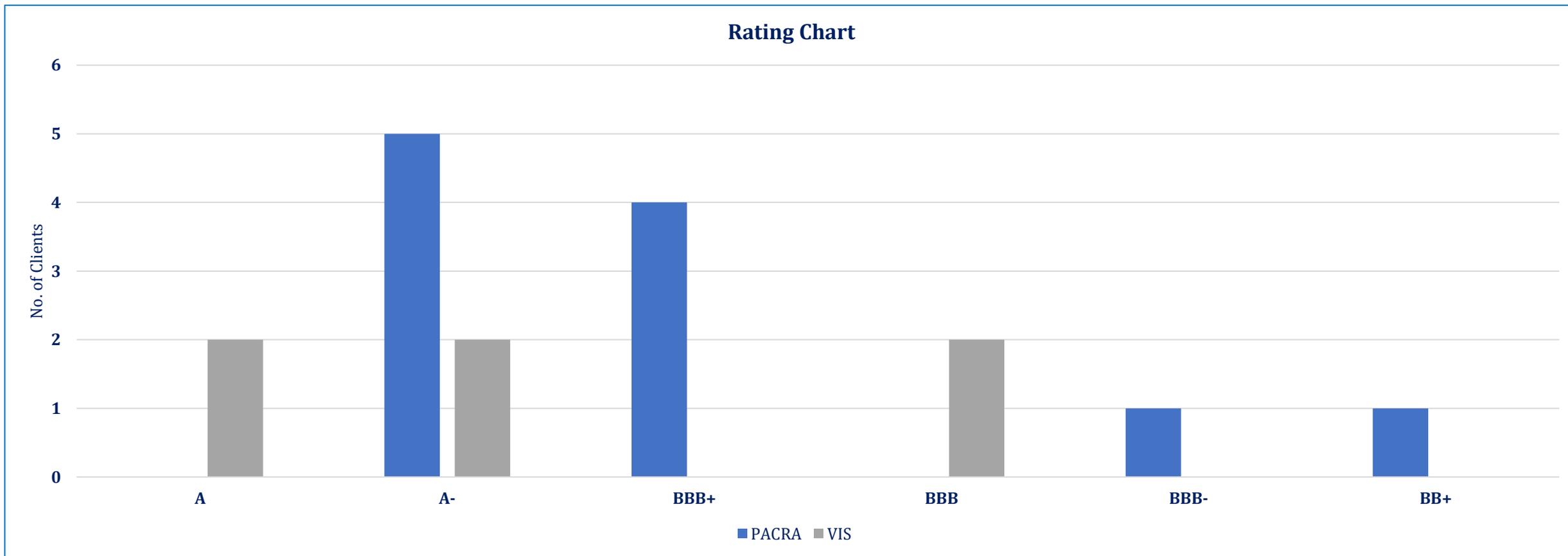
Other than the duty structure depicted above, Pakistan also imports crude palm oil, on which the following import duties are applicable:

- ACD: 2.0%.
- Edible Oil Cess: PKR. 50/1000 Tariff unit
- Custom Duty: PKR. 10,800/1000 Tariff unit

Edible Oil

Rating Curve

- PACRA rates 11 entities, with a rating bandwidth ranging from A to BB+-.



Edible Oil

SWOT Analysis



Edible Oil

Outlook: Stable

- In FY25, Pakistan's GDP (nominal) stood at PKR~113.9Tn (FY24: PKR~105.4Tn), increasing, in real terms, by ~3.1% YoY (FY24: ~2.6% YoY) and is projected to grow by ~3.2% in FY26, according to the IMF. The 1QFY26 data show a ~3.7% YoY real growth rate as compared to ~1.6% YoY in 1QFY25, showing an improvement in economic activity as compared to the SPLY.
- In FY25, Pakistan's edible oil consumption increased by ~17.3% YoY to ~4.9Mn MT (FY24: ~4.2Mn MT), primarily supported by higher imports of edible oil. Total edible oil imports rose by ~13.4% YoY to ~3.5Mn MT (FY24: ~3.1Mn MT) and accounted for ~72.3% of total edible oil consumption during the year (FY24: ~74.9%). Domestic production, although significantly lower than imports, increased by ~29.1% YoY to ~1.35Mn MT (FY24: ~1.05Mn MT) and contributed ~27.7% of total consumption in FY25.
- The increase in domestic production was primarily driven by a sharp rise in soybean oil production, which increased nearly four-fold during the year following the government's approval of GMO soybean imports in Nov'24, enabling higher soybean seed imports and processing. Cottonseed and rapeseed oil also remained important contributors to local production, although cottonseed output was impacted by lower cotton production during the year.
- Going forward, with the PKR exhibiting relative stability against the USD, improving macroeconomic indicators, and inflation expectations gradually moderating, the operating environment for the edible oil sector is expected to remain relatively supportive. According to the latest monetary policy outlook of the SBP, easing inflationary pressures and a comparatively stable policy rate trajectory are likely to support business sentiment and financing conditions, which may translate into improved financial performance for Sector players. In addition, the approval and easing of restrictions on GMO soybean imports is expected to support higher local processing activity and contribute positively to domestic edible oil production.
- However, the Sector remains heavily reliant on imported edible oils, particularly palm oil, to meet domestic consumption, exposing it to volatility in global commodity prices. The need for import substitution through enhanced domestic oilseed cultivation therefore remains critical for improving Sector resilience. At the same time, ongoing geopolitical tensions and trade disruptions in key global supply chains, including uncertainties in major exporting regions and shipping routes, continue to pose risks to global edible oil trade flows. In this context, international palm oil prices are expected to remain elevated in the near term, supported by supply-side constraints and tighter export availability from key producers such as Indonesia and Malaysia.

Edible Oil

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