

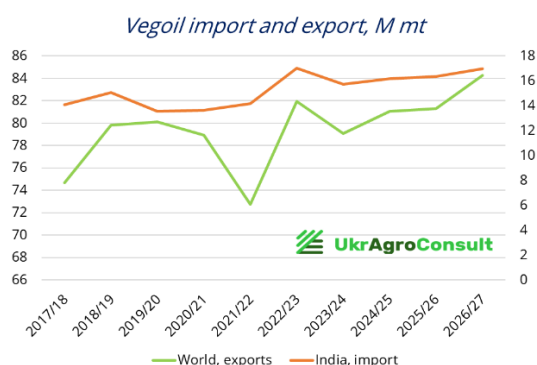
# INDIA'S VEGETABLE OIL MARKET: CAN THE WORLD'S LARGEST BUYER COOL THE MARKET?

- **Will India pressure global vegetable oil prices?**
- **India to remain key importer of vegetable oil in 2026/27 MY**
- **India has accumulated vegetable oil stocks of over 2 M mt**
- **Nepal is increasing its share in India's vegetable oil market**
- **India is considering raising import duties on vegetable oils**

India will remain the world's largest vegetable oil importer in 2026/27. However, the key uncertainty in 2026/27 is whether India promotes downward trend in global vegetable oil prices or drive prices upward?

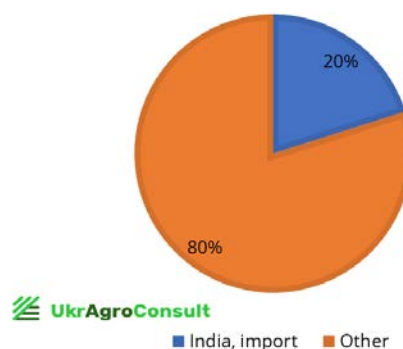
India's total vegetable oil imports are expected to remain close to 17 M mt in 2026/27, or about 20% of global trade in palm, soybean and sunflower oils.

**India. Vegoil imports and exports, M mt**



Source: USDA, May 2026

**Share of India's vegetable oil imports in total world exports, 2026/27 MY**



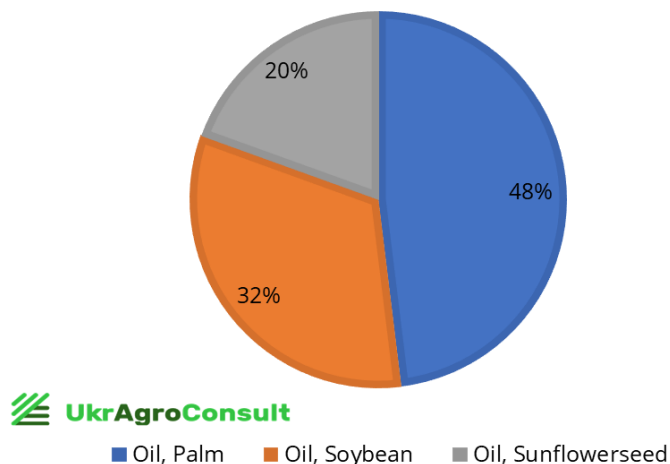
Source: USDA, May 2026

India is importing more but consuming less. India's vegetable oil imports expanded from 14 M mt in 2017/18 to nearly 17 M mt in 2026/27 (forecast). The country's role in global demand continues to grow, supported by a population exceeding 1.4 B, urbanization, rising incomes and expanding food-service consumption.

So, Indian vegetable oil S&D faces unusually large stocks. According to the Solvent Extractors' Association (early May, 2026), the stocks are 2.1 M mt, vs. only 1.35 M mt y/y, being the highest in the last 15 months. April imports were 1.36 M mt, up 32% y/y and the second-highest monthly volume ever recorded. As India remains a huge importer, growing stocks might be short term but global bearish signal.

Palm oil share in the imports is the largest – 48-50% - due to low but growing price (the main suppliers are Indonesia and Malaysia). Soybean oil accounts for 31-14% of total imports (Argentina, Brazil). Sunflower oil ranks third (Russia, Ukraine).

### India: Vegetable Oil Import Breakdown, 2026/27



Source: Solvent Extractors' Association

This is another trend of Indian market - veg oil price sensitivity and rapid switching between the oils if their values change.

#### Veg oils imports, April 2026 (Solvent Extractors' Association of India)

- sunflower oil - 434 K mt vs. 211 K mt in April 2025. russia supplied approximately 240 K mt.
- palm oil imports fell to 514 K mt, the lowest last 12 months volume due to weaker competitiveness.
- soybean oil – 400 K mt (491 K mt y/y).

Sunflower oil of Ukraine and other Black Sea exporters remains highly competitive and strength compared to alternative oils, mainly as palm oil prices are increasing.

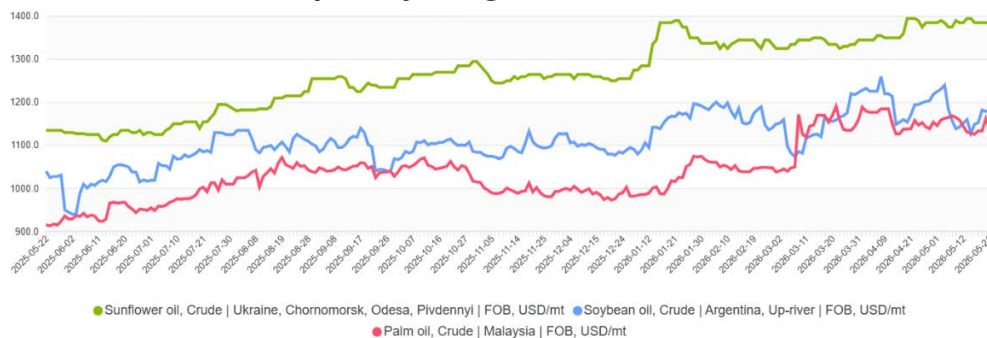
Additional competition inside India's refined oil market can be unexpectedly and surprisingly intensified by growing imports from Nepal.

Exports of refined soybean, sunflower, palm and rapeseed oils from Nepal to India increased from 345 K mt to 736 K mt within one year. Nepal enjoys duty-free access to India under the SAFTA agreement.

Exports from Nepal does not threaten Black Sea exporters directly today. However, Nepal's role in India's vegetable oil market is growing and in long term this may gradually reshape regional trade flows.

Can India push prices lower? The market expects results of India's discussions regarding higher import duties on vegetable oils. Domestic crushers are lobbying for stronger protection.

#### World prices for vegetable oils, USD/mt



Source: UkrAgroConsult database AgriSupp

If duties increase, imports may slow temporarily and global demand could weaken. But don't overestimate the influences of the Indian domestic import regulation over the global vegoil markets.

Prices are currently driven primarily by:

- geopolitical risks in the Middle East;
- expanding biodiesel production in Southeast Asia;
- tight sunflower oil supply;
- weather uncertainty across major oilseed-producing regions.

So, any Indian tariff increase would rather be a short-term factor rather than a long-term bearish trend.

Trends in India veg oil demand and Ukraine and Black Sea exports

The country's ambitions for growing self-sufficiency in veg oil supply are undoubtful. But they are constrained by:

- low oilseed yields as for decades India policy has been focusing on wheat and rice rather than oilseeds production;
- insufficient irrigation;
- fragmented farm structure.

Europe continues to support veg oils demand through renewable fuel policies. Unlike Europe India supports demand through population growth and food consumption.

The Gov't will likely to aim in the coming years not to completely block imports, but rather to reduce vulnerability to global price fluctuations and strengthen food security through supporting oilseeds and palm oil production.

India may increase considerably oil stocks, but is not able to replace imports. Even optimistic scenarios do not suggest full self-sufficiency within the next 10 years. So, India will remain a critically important destination for sunflower oil exports from Ukraine and Black Sea-Danube-Balkan region.

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