

Redflag Indicators for the week ending on 14th April 2025

***Sugar exports from India near 3 lakh tonnes, says AISTA**

India has exported 2.87 lakh tonnes (lt) of sugar till April 8 out of 10 lt quota permitted by the government in January in the ongoing 2024-25 season (October-September), out of which maximum quantity has been shipped to Somalia, All India Sugar Trade Association (AISTA) said. The sugar despatch from mills for export, however, was 3.05 lt, as nearly 18,000 tonnes are in transit or under loading. After a gap of more than one year, India allowed sugar export on January 20 by distributing millwise quota and also has provided flexibility to sugar factories to exchange the permit with domestic quota. Sharing the details of countrywise export, AISTA said that 51,596 tonnes have been shipped to Somalia, 48,864 tonnes to Afghanistan, 46,757 tonnes to Sri Lanka and 30,729 tonnes to Libya. Other countries which imported Indian sugar included Djibouti with 27,064 tonnes, the UAE 21,834 tonnes, Tanzania 21,141 tonnes, Bangladesh 5,589 tonnes and China 5,427 tonnes, the trade body said adding the pace of export, though slow now, is likely to pick up in one month. "The impact of falling crude prices has to be seen on sugar prices because ethanol is a major contributor to transportation fuel," it said.

***India's cotton imports for 2024-25 season seen higher at 33 lakh bales on shrinkage in domestic output**

India's cotton imports for the 2024-25 season ending September are seen more than doubling to 33 lakh bales of 170 kg each on further shrinkage in the domestic crop. Last season, India's cotton imports stood at 15.20 lakh bales. The Cotton Association of India (CAI), in its latest projections, has revised upwards the import estimates to 33 lakh bales, up from earlier projections of 30 lakh bales. Till March end about 25 lakh bales are estimated to have arrived at the Indian ports. The upward revision in imports is on expectations of lower than estimated domestic production even as the consumption is seen flat. The trade body expects a shrinkage in the domestic crop further and has lowered its projections by 4 lakh bales to 291.30 lakh bales of 170 kg each, mainly on lower production in Maharashtra. Earlier the trade body had projected an output of 295.30 lakh bales. The decline in projections is on account of lower output in Maharashtra, where the production is seen declining by 5 lakh bales compared to the earlier estimates, while in Telangana the output is seen higher by 1 lakh bales. CAI has estimated the total cotton supply till the end of March including the imports at 306.83 lakh bales. This includes the imports of 25 lakh bales of 170 kg each and also the opening stocks of 30.19 lakh bales. For the 2024-25 season ending September, CAI has maintained the consumption at 315 lakh bales, same as estimated previously. Consumption till March end is estimated at 170 lakh bales. Exports till March 31

are estimated at 9 lakh bales. Stocks at end of March are estimated at 127.83 lakh bales including 27 lakh bales held by the mills and the remaining 100.83 lakh bales with CCI, Maharashtra Federation and the trade. Cotton exports for the 2024-25 season are pegged at 16 lakh bales, lower by 12.36 lakh bales over previous year's 28.36 lakh bales, the trade body said. The closing stock for 2024-25 season at end of September 2025 is estimated lower at 23.49 lakh bales from same period last year's 30.19 lakh bales.

***India's edible oil imports decline by 2.18% in Nov-March of 2024-25 oil year**

India's total edible oil imports declined by 2.18 per cent during the first five months of the oil year 2024-25 (November to October) due to a sharp fall in the import of palm oil. Data compiled by the Solvent Extractors' Association of India (SEA) showed that India imported 56.39 lakh tonnes (lt) of edible oils during November-March of 2024-25 against 57.65 lt in the corresponding period of 2023-24. Total palm oil imports, including crude palm oil (CPO) and RBD palmolein, decreased to 24.15 lt during November-March 2024-25 from 35.29 lt during the corresponding period of the previous oil year. The import of refined oil (RBD palmolein) declined to 6.62 lt during November-March 2024-25 (8.86 lt during November-March 2023-24). Import of CPO decreased to 17.23 lt (25.96 lt) during the period. Stating that there was increase in the import of soft oils during the first five months of the oil year 2024-25, he said India imported 32.24 lt of soft oils (22.35 lt) during the period. Import of soyabean oils increased to 19.11 lt during the first five months of 2024-25 from 8.82 lt in the corresponding period of the previous oil year. The share of palm oil (including CPO and RBD palmolein) in the total edible oil imports decreased to 43 per cent from 61 per cent and soft oils increased to 57 per cent from 39 per cent, he said. On the impact of trade war between China and the US on the edible oil market, this trade war may have impact on palm oil. Palm oil export to the US will be subject to 10 per cent import tariff. These tariffs will raise the cost of palm oil for the US end-users. The tariff-induced price increase is likely to drive the US food manufacturers and consumers to substitute palm oil with more competitively priced domestic alternatives such as soyabean oil benefitting the US soyabean farmers. On a positive note, the US is a relatively small consumer of palm oil, accounting for just 1.9 million tonnes (mt) of global palm oil consumption of 78 mt, or approximately 2.4 per cent of global palm oil usage, he said. During November-March 2024-25, Indonesia exported 8.61 lt of CPO and 5.70 lt of RBD palmolein to India. This was followed by Malaysia at 7.31 lt of CPO and 82,102 tonnes of RBD palmolein. India imported 12.16 lt of crude soyabean de-gummed oil from Argentina, 3.27 lt from Brazil and 1.62 lt from Russia during the period. Russia exported 8.29 lt of crude sunflower oil during the first five months of the oil year 2024-25. This was followed by Ukraine at 2.96 lt and Argentina at 83,750 tonnes. Non-edible oils India imports non-edible oils such as PFAD and RBD palm stearin for the soap and ole-chemical industry. India imported 1.66 lt of non-edible oils during November-March 2024-25 against 64,883 tonnes in the corresponding period of the previous oil year.

***India's soyabean imports likely to decline on muted demand**

Soyabean imports into the country are likely to see a major decline in the oil year 2024-25 on muted demand. Based on the trend so far, the Soyabean Oil Processors Association (SOPA) has reduced the projected imports to 1 lakh tonnes during the 2024-25 oil year, down from 6.25 lakh tonnes in the previous year. According to the latest supply demand report issued by SOPA, the soyabean imports stood at 0.02 lakh tonnes during the October-March period of the oil year 2024-25 compared with 5.06 lakh tonnes a year ago. Earlier, SOPA projected soyabean import of 3 lakh tonnes. India allows the import of only non-genetically modified (non-GM) soyabean. The market arrivals during October-March period of the oil year were lower at 72 lakh tonnes (77 lakh tonnes in the same period last year). The crushing also has been lower during this period at 60.50 lakh tonnes (67.50 lakh tonnes). SOPA estimates that the stocks with the plants, traders and farmers are estimated at 38.51 lakh tonnes and another 20 lakh tonnes with the government agencies such as NAFED and NCCF. Production of soyameal stood lower at 47.74 lakh tonnes (53.26 lakh tonnes). The domestic food sector offtake was seen flat at 4.35 lakh tonnes, while the feed sector demand was lower at 32.50 lakh tonnes (35 lakh tonnes) during this period. Exports of soyameal were down by around 17 per cent at 11.12 lakh tonnes during the October-March period of the oil year 2024-25 from corresponding previous year's 13.47 lakh tonnes. Germany and France were the largest buyers of Indian soyameal during this oil year at over 1.53 lakh tonnes and 1.44 lakh tonnes respectively. Nepal was the third largest buyer with volumes of 1.16 lakh tonnes and Bangladesh 1.08 lakh tonnes.

***Kashmir's poultry sector in crisis amid policy shifts and price pressures**

Kashmir's poultry industry is facing a serious downturn, leaving thousands of local farmers struggling to stay afloat. Once touted as a thriving sector, the poultry sector is now under severe stress as producers grapple with a declining market for locally raised birds and growing competition from outside the region. According to the Kashmir Valley Poultry Farm Association (KVPFA), local poultry production, which once met around 85 per cent of the region's demand, has now slumped to barely 20 per cent. The decline began in 2020, following the government's decision to abolish the toll post at Lakhanpur—the main entry point for surface transport into Jammu and Kashmir—and to remove toll taxes on imported poultry. Before that, the government levied a State tax of ₹9 on each bird. According to official data, around 1.50 crore dressed chicken are consumed annually in the Valley. The Kashmir Valley is home to around 8,000 poultry units, providing direct or indirect livelihood to nearly 4 to 5 lakh people. However, cheap poultry imports from outside the region now threaten these livelihoods, undercutting local producers and destabilising the once-thriving sector. According to the Animal Husbandry Department, Jammu and Kashmir, the region has a poultry population of about 22 to 23 lakh, of which nearly 25 per cent comprises improved varieties. Broiler farming has seen rapid growth, with an estimated 5 to 7 lakh broilers raised

by private farmers every month—equivalent to 5 to 7 lakh kilograms of poultry meat entering the market monthly.

***Country's crude soyabean oil imports double to 1.91 mn tonnes: SEA**

India's import of crude soyabean oil more than doubled to 19.11 lakh tonne in the first five months of current oil marketing year ending October 2025, according to edible oil industry body SEA.

The Solvent Extractors' Association of India (SEA) data showed that the country imported 19,11,420 tonne of crude soyabean degummed oil during November 2024 and March 2025 period as against 8,82,943 tonne in the corresponding period of the 2023-24 marketing year.

Edible oil marketing year runs from November to October. In case of crude soyabean degummed oil, India mainly imported from Argentina, Brazil and Russia.

Imports from Argentina jumped to 12,16,291 tonne from 4,50,602 tonne. Shipments of crude soyabean oil from Brazil fell marginally to 3,27,936 tonne from 3,29,843 tonne.

Shipments from Russia too jumped at 1,62,347 tonne during November 2024-March 2025 from 41,497 tonne in the corresponding period of the preceding oil marketing year.

Overall, India's total edible oil imports fell marginally to 56,39,677 tonne in the period from 57,65,232 tonne a year.

Sharp jump in imports of crude soyabean oil was offset by drop in imports of crude and refined palm oil. Imports of crude palm oil declined to 17,23,721 tonne from 25,96,304 tonne. The inbound shipments of crude sunflower declined to 13,12,701 tonne from 13,52,451 tonne. Imports of refined palmolein dipped to 6,62,890 tonne from 8,86,607 tonne. During November 2024-March 2025, Indonesia exported 8,61,362 tonne of CPO and 5,70,981 tonne of RBD palmolein.

Malaysia exported 7,31,870 tonne CPO and 82,102 tonne of RBD palmolein to India, the data showed.

***Maize production needs boost, adjust prices for grain ethanol: Report**

India must promote maize production and introduce more dynamic pricing for grain ethanol to unlock the full potential of fuel blending, according to a new report.

The report, Unlocking Rs 35,000 crore for farmers The Untapped Potential of Grain Ethanol, also calls for uninterrupted supply of damaged, broken and surplus rice from the Food Corporation of India (FCI) and expansion of the domestic market for Distiller's Dried Grains with Solubles (DDGS).

Rising maize prices have made ethanol production costlier and less competitive, potentially discouraging investment in the sector.

The report, by management consulting firm Primus Partners and Grain Ethanol Manufacturers Association (GEMA), recommends incentivising farmers to shift to maize cultivation by providing high-yield seeds, fertilizers, and irrigation infrastructure.

In the last Ethanol Supply Year (November-October), grain ethanol producers faced losses as procurement prices remained unchanged despite increasing maize costs, "dampening the entrepreneurial spirit of the nascent industry", the report said.

It suggests using damaged and surplus FCI rice as an alternative feedstock until maize production scales up, calling for "clear, predictable policies" on surplus rice use for ethanol production.

The report also advocates developing a stronger domestic market for DDGS, a protein-rich by-product of grain ethanol production used in animal feed, through subsidies or tax benefits for feed manufacturers and potential tariffs on imported DDGS.

According to government think tank NITI Aayog, gasoline demand is expected to reach 5,785 crore litres annually by 2030.

To achieve the government's target of 30 per cent ethanol blending by that year would require approximately 1,735.5 crore litres of ethanol, potentially reducing annual emissions by 347.1 lakh tonne overall and 197.85 lakh tonne from grain ethanol alone.

***India's vegetable oil prices jump 17% in March after import duty hike; industry flags Nepal imports**

While Indian consumers are currently enjoying a significant dip in overall retail inflation, which has unexpectedly plummeted to a five-year low of 3.34% in March, a closer look reveals a concerning trend in the edible oil sector. Vegetable oil prices have surged by 17% year-on-year, a direct consequence of the government's strategic decision to hike import duties on crude vegetable oils. This policy, intended to bolster domestic oilseed cultivation, has sparked concerns within the industry about a surge in duty-free imports from Nepal that could undermine these efforts and distort the market.

Despite the overall cooling of prices, largely driven by a substantial drop in food inflation (down to 2.69% in March), the sharp increase in vegetable oil prices is notable given its roughly 4% weightage in the Consumer Price Index (CPI), encompassing both rural and

urban consumption. While the low overall inflation offers immediate relief and potentially sets the stage for monetary policy easing, the volatility in edible oil prices, heavily influenced by government policies and international trade, presents a complex picture for future inflation trends, especially with the upcoming monsoon season being a crucial factor for overall food prices.

Currently, domestic mustard and soybean prices are trading slightly below MSP, with the mustard harvest approaching. Given that India imports around 60% of its edible oil needs, global prices, tariffs, biodiesel policies, and the upcoming monsoon will all play a crucial role in shaping market dynamics.

However, the IVPA has raised a red flag regarding a dramatic increase in duty-free edible oil imports from Nepal under the South Asian Free Trade Area (SAFTA) agreement. In a formal representation to government departments, the association highlighted that imports from Nepal have surged to over 1.80 lakh metric tonnes between January and March 2025, a significant jump from the 1.25 lakh tons imported throughout the entire year of 2024. Notably, a substantial portion of last year's imports arrived after the Indian duty hike, suggesting a potential rerouting of soya imports via Nepal to take advantage of the zero-duty access.

The IVPA argues that this influx, exceeding Nepal's domestic production capacity, raises serious questions about the enforcement of Rules of Origin and the possibility of third-country routing. This is creating an uneven playing field for Indian processors and refiners, impacting farmgate oilseed prices and leading to underutilized domestic capacity. The association also fears that this trend is weakening market sentiment, leaving farmers receiving below MSP despite the increased import duties. The situation also carries fiscal implications, potentially leading to revenue loss and undermining the intended benefits of agricultural development cesses.

The current scenario in India's edible oil sector presents a complex interplay of government policy, international trade dynamics, and the overarching goal of self-sufficiency, all set against a backdrop of surprisingly low overall inflation. The coming months will be crucial in observing how these factors evolve and ultimately impact both consumer prices and the agricultural economy.

***India's vegetable oil stocks drop to three-year low on lower palm imports**

Vegetable oil inventories in India fell to its lowest level in more than 3 years as palm oil imports in March stayed below average for the fourth straight month, a leading trade body said on Friday.

Depleted stocks could force the world's biggest buyer of vegetable oils to increase imports of palm oil and soyoil in the coming months, supporting Malaysian palm oil prices and US soyoil futures.

Vegetable oil stocks at the start of April 1 fell 11.3 per cent from a month ago to 1.67 million metric tons, the lowest since December 2021, the Solvent Extractors' Association of India (SEA) said in a statement.

Palm oil imports in March rose about 14 per cent from the previous month to 424,599 metric tons, the SEA said.

India imported an average of more than 750,000 tons of palm oil each month during the marketing year that ended in October 2024.

In the first five months of the 2024/25 marketing year ending in October, palm oil's share of India's total vegetable oil imports fell to 43 per cent from 61 per cent, while the combined share of soybean and sunflower oil rose to 57 per cent from 39 per cent.

Palm oil's premium over soyoil led Indian buyers to reduce palm oil purchases and increase soyoil buying in the past few months.

Imports of soyoil rose 25 per cent to 355,358 tons in March, while sunflower oil imports fell about 16 per cent to 190,645 tons, the lowest in six months, it said.

Total vegetable oil imports rose 11 per cent to 998,344 million tons, the statement added.

The country's imports in April is likely to rise marginally as purchase of palm oil and sunflower oil are expected to increase in the month, said Rajesh Patel, managing partner at GGN Research, an edible oil trader.

India buys palm oil mainly from Indonesia and Malaysia, while it imports soyoil and sunflower oil from Argentina, Brazil, Russia and Ukraine.

***MSP purchase of oilseeds, pulses sluggish**

As the arrivals of rabi crop peak, the mandi prices of mustard and chana are firmly ruling around minimum support price (MSP) leading to sluggish procurement by government agencies.

Trade sources told that the market prices of mustard at Bharatpur, Rajasthan, the hub of the wholesale trade in oilseed variety was quoted at Rs 5974/quintal against the minimum support price (MSP) of Rs 5950/quintal for 2024-25 rabi season. Average mandi prices of key oilseed in major producing states is currently ruling at Rs 5828/quintal against Rs 5188/quintal prevailed a year ago.

Similarly in case of chana, which has a share of 50% in India's pulses output, average market prices are ruling at Rs 5705/quintal against the MSP of Rs 5650/quintal despite a robust rabi crop prospects.

Under the price support scheme (PSS) of the agriculture ministry, the government agencies – Nafed and NCCF have purchased only 0.31 million tonne (MT) and only 16,670 tonne of mustard and chana so far against the sanctioned volume of 2.82 MT and 2.79 MT respectively for 2024-25 season for the key producing states including Haryana, Madhya Pradesh, Rajasthan, Uttar Pradesh, Gujarat and Assam

For mustard, while trade had projected a production of 11.52 MT in 2024-25 season while the agriculture ministry has estimated the output of oilseed variety at Rs 12.87 MT.

In the 2023-24 season, the government agencies had purchased 1.2 MT of mustard from the farmers in Haryana, Madhya Pradesh, Rajasthan and Uttar Pradesh.

PSS, a component of PM-AASHA is implemented when the market prices of notified pulses and oilseeds and copra fall below the MSP during peak harvesting period to provide the remunerative price to the farmers.

To boost domestic production through providing incentives to the farmers and reduce the dependence on import, the existing procurement ceiling of 25% on tur, urad and masur under PSS had been lifted for 2023-24 and 2024-25 seasons.

India imports 15% to 18% and 58% of its annual pulses and edible oil consumption respectively.

***Cotton may lose ground to maize in central India this kharif**

Cotton stakeholders see the natural fibre crop losing ground in Central India, the largest producing region, to competing crops such as maize in the upcoming kharif season. The area under cotton is seen to be lower by about a tenth in the season ahead as declining yields over the years have hit the realisations. Cotton Association of India (CAI) - the apex trade body for the fibre crop, said a decline in the acreage will likely be seen in Maharashtra and Gujarat. Farmers in Gujarat will shift from cotton to groundnut and in Maharashtra from cotton to maize. Cotton prices have largely remained subdued and trended below the minimum support price levels for most part of the ongoing 2024-25 season. The main reason for the subdued price was the muted demand from the spinning mills and also factors such as a bearish trend in global prices influencing the local prices. As a result of weak prices, State-run Cotton Corporation of India's purchases at MSP exceeded one crore bales (of 170 kg each) during the season, accounting for a third of the total output. The planting for the kharif 2025-26 has just begun in the northern parts of the country and also in the extra long staple growing belt of Karnataka. Maize area may increase in the upcoming kharif by anywhere between 5 and 10 per cent. Farmers intend to increase the maize area because of the MSP from the government and also due to assured sales because

of the ethanol demand, he said. Maize is seen gaining area from cotton and also from soyabean in Central India.